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Canada. Parliament.
House of Commons.
Standing Cttee. on Radio
Broadcasting.
Minutes of Proceedings and
Evidence.
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Canada. Radio Broadcasting, Special
in Ottawa, 1938

SESSION 1938

HOUSE OF COMMONS

(SELECT STANDING COMMITTEE*)

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

WEDNESDAY, MARCH 9, 1938

THURSDAY, MARCH 24, 1938



WITNESS:

Mr. Leonard W. Brockington, K.C., Chairman Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1938

* See p. iii, first paragraph.
("Select" is equivalent to "special")

MEMBERS OF THE COMMITTEE

Mr. A. L. BEAUBIEN, *Chairman*

Ahearn,
Barber,
Beaubien,
Bertrand (*Laurier*),
Bouchard,
Coté,
Dupuis,
Edwards,
Factor,
Hamilton,
Howe,
Isnor,

Johnston (*Bow River*),
Lawson,
MacKenzie (*Neepawa*),
MacLean (*Prince*),
MacMillan,
Martin,
Patterson,
Ross (*Moose Jaw*),
Turgeon,
Wermenlinger,
Woodsworth.

WALTER HILL,
Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

THURSDAY, February 24, 1938.

Resolved,—That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the Corporation with special reference to revenues, expenditures and development, with all the powers vested in the standing committees under standing orders and the resolution passed by this House on the 7th February, 1938.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MONDAY, 7th February, 1938.

Ordered,—That the Select Committee appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation, etc., be empowered to examine and enquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

FRIDAY, March 4, 1938.

Ordered,—That the Select Standing Committee appointed on the 24th February last, with the powers of a Standing Committee, to consider the Annual Report of the Canadian Broadcasting Corporation and to review the policies of the Corporation shall consist of the following Members: Messrs. Ahearn, Barber, Beaubien, Bertrand (Laurier), Bouchard, Côté, Dupuis, Edwards, Factor, Hamilton, Howe, Isnor, Johnston (Bow River), Lawson, MacKenzie (Neepawa), MacLean (Prince), MacMillan, Martin, Patterson, Ross (Moose Jaw), Turgeon, Wermenlinger and Woodsworth.

Ordered,—That the presence of at least nine members shall constitute a quorum of the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORTS TO THE HOUSE,

FRIDAY, March 11, 1938.

The Standing Committee on Radio Broadcasting appointed to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the Corporation begs leave to present the following as a

FIRST REPORT

Your Committee Recommends:—That it be granted leave to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Respectfully submitted.

A. L. BEAUBIEN,
Chairman of Committee.

(For concurrence *see* Votes and Proceedings of Monday, March 21st, 1938.)

MINUTES OF PROCEEDINGS

March 9, 1938.

The Standing Committee on Radio Broadcasting met this day at 11 a.m.
(For organization.)

Members Present: Messrs. Ahearn, Barber, Beaubien, Bertrand (*Laurier*), Bouchard, Cote, Dupuis, Edwards, Factor, Hamilton, Howe, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), MacMillan, Martin, Patterson, Ross (*Moose Jaw*), Turgeon, Wermenlinger, Woodsworth.

On motion of Mr. Turgeon, seconded by Mr. Martin:

Mr. Beaubien was unanimously elected Chairman.

Mr. Beaubien thanked the committee for the honour and asked for the co-operation of all members in the work of the committee.

Hon. C. D. Howe briefly addressed the committee and informed it that the Board of Governors of the Canadian Broadcasting Corporation would be meeting in Ottawa from March 21 to March 23, and after the latter date would be able to attend before the committee and give to it information on the policies of the corporation.

The committee discussed at length the method whereby the general information required by it should be procured and presented to the members desiring it and it was agreed that any member of the Committee requiring information from the General Manager and the officials of the Broadcasting Corporation should list their requirements with the Chairman before Friday next, March 11, and he would endeavour to have the information made available at the next meeting of the committee; also, that a copy of the questions to be answered should be sent to all members of the committee.

On motion of Mr. Turgeon:

Resolved: That this committee do report to the house and ask leave to print 500 copies in English and 200 copies in French of its day to day minutes of evidence and proceedings.

The committee adjourned at 12.10 p.m. to meet again at the call of the Chair.

WALTER HILL,
Clerk of the Committee

THURSDAY, March 24, 1938.

The Standing Committee on Radio Broadcasting met this day at 11 a.m.
The Chairman, Mr. A. L. Beaubien presided.

Members Present: Messrs. Ahearn, Barber, Beaubien, Bertrand (*Laurier*), Dupuis, Edwards, Factor, Hamilton, Howe, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), MacMillan, Martin, Ross (*Moose Jaw*), Turgeon.—(17).

In attendance: Mr. Leonard W. Brockington, K.C., Winnipeg (Chairman); Rene Morin, N.P., Montreal (Vice-Chairman); Mrs. Nellie McClung, Victoria, B.C.; Captain the Rev. Alexander Vachon, Quebec; Canon Fuller, Campbellton, N.B.; Allan B. Plaunt, Ottawa; Brig.-Gen. Victor W. Odlum, Vancouver, B.C.; the Board of Governors of the Canadian Broadcasting Corporation and Mr. W. E. Gladstone Murray (General Manager of the C.B.C.) and Mr. Donald Manson (Chief Executive Assistant, C.B.C.). The Chairman called on Mr. Leonard W. Brockington, K.C., to outline the activities and the policies of the Canadian Broadcasting Corporation.

Mr. Brockington took the witness stand and presented to the committee a resume of its work from the preliminary meeting of the board in September 1936 to March 1938.

Mr. Brockington also replied to numerous questions from members of the Committee.

Hon. Mr. Lawson moved,—

That the Minutes of the meeting of the Board of Governors of the Canadian Broadcasting Corporation be filed with the clerk of the committee and that they be made available to the members of the committee.

Discussion followed.

On the question being put, the Chairman declared the motion lost.

The names being called for, they were taken down as follows:—

Yeas: Messrs. Lawson, Barber—2.

Nays: Messrs. Ahearn, Bertrand (Laurier), Dupuis, Factor, Hamilton, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), Turgeon—9.

The Chairman declared the motion passed in the negative.

On motion of Mr. Barber,—

The Committee adjourned to meet again to-morrow, Friday, March 25, at 11 a.m.

WALTER HILL,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

March 24, 1938.

The Select Standing Committee on Radio Broadcasting met at 11 a.m., the chairman, Mr. A. L. Beaubien, presiding.

The CHAIRMAN: We have a quorum and, if you will come to order, we will proceed.

I think it was agreed at the last meeting that we should hear the board of governors, and we have here to-day Mr. Brockington, who is chairman of the board of governors, Mr. Rene Morin, vice-chairman, Mrs. McClung, the Rev. Alexandre Vachon, Quebec, Mr. Plaunt, Brig.-Gen. Odlum of Vancouver and Canon Fuller of Campbellton,, New Brunswick.

I think it was agreed at the last meeting that Mr. Brockington, chairman of the board of governors, should be heard first. I would, therefore, ask Mr. Brockington to come forward.

L. W. BROCKINGTON, K.C., *called.*

Mr. Chairman and gentlemen, on behalf of the board of governors of the Canadian Broadcasting Corporation, I wish in the first place, if I may, to welcome the appointment and the sittings of this committee. I would like to thank you for the opportunity which you have accorded us of appearing before you. We hope that our presence will be of assistance to you, and I may say also that we hope that your deliberations will be of assistance and encouragement to us in the national trust of which we are the temporary custodians.

I have not prepared any formal manuscript for submission. I am going to try, if I may, to paint the background of this broadcasting business, to explain to you what we have tried to do, and what we think we have, with all modesty, accomplished and what we hope to accomplish in the future. I hope, therefore, that, as I have not any formal manuscript, but will occasionally read from notes and memoranda prepared, you will excuse any hesitation of speech or any inadequacy of expression. I will, of course, answer whatever questions I can that may be put to me by members of the committee. I expect, however, that as far as matters of administration are concerned you will reserve those questions for Major Murray who I presume will follow me on the stand at some stage in the proceedings.

Before I go further I would like to thank the minister, whom I see present, and to take this public opportunity of expressing our gratitude to him for the consistent courage and courtesy which he has shown to the governors of the corporation since its inception. I would also like to tell his colleagues in the House of Commons how much we value his calm wisdom, which he has always placed at our disposal.

I would also like to thank publicly, on the first occasion on which I have been able to do so, the general manager and the assistant general manager of the corporation for their loyalty to the work of the corporation and to express our appreciation of the untiring efforts of a staff which in our opinion is not overpaid but which is often overworked.

For whatever errors there may have been in administration, the board of governors takes full responsibility. For whatever progress has been made, all we claim—and I think we can claim it with justice—is a self-less enthusiasm for what we believe to be a great and growing cause.

I had not thought it necessary to fill in any of the parliamentary background that led up to the formation of this corporation; I take it that the contents of the various reports that have been submitted to parliament, the Aird Commission report and particularly the remarkable parliamentary unanimity which instituted national broadcasting in this country are matters of common parliamentary knowledge. What I would like to do, however, in order that the position of the board of governors and of the government's relation to it may be adequately explained, is to read a few brief extracts from the minutes of the preliminary meeting of the governors of the Canadian Broadcasting Corporation. When that meeting was held, Mr. Howe was present. These are extracts from the minutes of that meeting.

Mr. Howe said that it was the intention and policy of the government to allow the board to function as an independent public corporation within the scope of the Act, and that they could be assured of freedom from interference.

The chairman expressed the satisfaction of the board at the assurances previously given him privately by Mr. Howe and now repeated before the board as a whole, that the policy and intention of the government was to allow the corporation to function as an independent, non-partisan public corporation, free from interference in all matters of internal policy and subject only to the controls specifically provided for in the Act. This independence and freedom from interference, he said, were essential to the success of the new corporation and no member of the present board, he felt, would consent to act or to continue to act, on any other basis.

The chairman then said that it was the intention of the board at all times to act as a unit. No member, he said, would individually support any application for service in the corporation, and all matters concerning the corporation would be dealt with by the board as a whole. He said that each member had agreed with all members that this was to be the basic principle on which the board was to proceed. No special interest, no personal interest, no sectional, racial or religious interest was to influence the conduct or decisions of any individual member of the board or of the board as a whole, subject always, he said, to the accepted and fundamental axioms of cordial and generous relations between the two great mother races.

The board consists of representatives from the Maritime provinces, from Quebec, from Ontario, from British Columbia and from the Prairie Provinces. We have within our membership French-speaking Canadians, English-speaking Canadians, Catholics, Protestants, a Jew, Gentiles, easterners and westerners. We have tried, ever since our appointment, to look upon this task as peculiarly a national task, and it may be of interest to the members of this committee to know that although we have made many decisions, some of them difficult, that every decision at which the board has arrived has been unanimous. There has never been a division of opinion concerning any decision made by the board on the grounds of race, religion or locality.

With that background before us may I just observe that the problems of radio administration are, as it were, a micro-cosmography of the problems of dominion administration. Radio broadcasting in Canada is Canada writ small, and it is made no less complex because of the very intimacy of the medium which we employ, a medium so intimate that radio, as it were, sings with the kettle on every hob and sits with the cat on every hearth.

[Mr. Leonard W. Brockington.]

And now I am going to ask you gentlemen, therefore, to believe with us that we have always considered the people of Canada as a whole as our constituents and, if we ceased to look at this question from a national point of view, we would not be able in our opinion to advance the purposes for which we have been created. I am prepared to admit at the very outset, and I think my admission perhaps will explain some of the differences of opinion that may be vocal amongst members of this committee, that conditions in localities throughout Canada are obliged to vary a great deal. Toronto, for instance, Montreal and Windsor,—the conditions that surround broadcasting in those districts cannot possibly be the same as they are in Halifax, in Moose Jaw, or in Prince Rupert. I believe that time and sane administration will perhaps level out those differences and make conditions in the lonely and isolated districts approximate those in the large centres of population where more amenities of broadcasting have been available. There are, of course, local irritations—there are bound to be—and it is the part of good administration finally to dispel them. I have no reason to think that they will not eventually be allayed and dispelled.

I know quite well there will be from time to time perfectly legitimate pressure brought to bear upon you gentlemen as representing your constituents. I am going, in the survey which I propose to give you, to ask you respectfully to try to forget your local conditions, your local irritations and your local differentiations and join with us in looking at this problem from a strictly national, non-partisan, non-sectional point of view. When we took office, we took office under an Act of the dominion parliament. It was an Act concerning whose terms and passage we had nothing to do. We inherited a condition which we did not create. I propose at the outset to recall to your memory some of the salient features of that Act. In the first place, broadcasting itself has a wide definition; it is wide enough to include the transmission of sight and of sound and of writing and of script by means of Hertzian waves. I refer to that definition because there are two developments that will shortly be presented to this country and concerning which at some time this board of governors will need guidance. I refer, first of all, to the television development; and, secondly, to a development known as facsimile. The attitude we have taken with reference to television is that we have declined to issue and have in fact not issued any licence for television, except for experimental purposes. There will be no alienation of the public domain in that field. We have gone further than that in facsimile, which perhaps I should explain at the moment. There is present, and I believe imminent, perhaps the most important development in radio broadcasting that this continent has seen, and that is the printing through a radio machine overnight of what will pass for a newspaper of the air. We believe that that franchise, together with television, are perhaps two of the most valuable properties left in the possession of the people of Canada and this board does not propose to proceed to grant either of these franchises without a full discussion with the government as to the terms on which such franchises should be granted.

I would like to point out, with reference to all these franchises, whether of the air or otherwise, that in an address which it was my privilege to make a little while ago over the air, I emphasized how soon invested interests became vested interests. And I would like, in discussing nationalization of radio and the possible nationalization of television or for facsimile broadcasting, to point out to you that the occupation by private interests of the franchises of the air is really an occupation by private interests of the public domain without compensation.

Now the Act provides that the corporation shall be a body corporate, having capacity to contract and sue and be sued in the name of the corporation. It then proceeds to give the corporation a number of powers, for example, to maintain and operate broadcasting stations; to establish stations; to equip stations with plant; to make operating agreements with private stations for the

broadcasting of programs; to originate programs and secure programs from within or outside Canada, by purchase or exchange and to make arrangements necessary for their transmission; to make contracts with any person or persons within or outside Canada, in connection with the production or presentation of the programs of the corporation; to publish and distribute, whether gratis or otherwise, such papers, periodicals, and other literary matter as may seem conducive to any of the objects of the corporation; to collect news relating to current events in any part of the world and in any matter that may be thought fit and to establish and subscribe to news agencies; to acquire copyrights, in any literary, musical or artistic works, plays, songs, gramophone records, news and other matter; to acquire and use any patent or patent rights; to acquire private stations either by lease or, subject to the approval of the Governor in Council, by purchase; subject to the provisions of sections ten and eleven hereof, to purchase, lease, or otherwise acquire, any real or personal property which the corporation may deem necessary or convenient for the purposes of its business—and a number of items of that kind.

Without the approval of the Governor in Council we are not allowed to enter into any agreements involving any expenditure in excess of \$10,000. We may not acquire real property, or exchange real property or sell it, without the approval of the Governor in Council. We are allowed to make by-laws to provide for a number of internal matters, with the exception that no by-law shall be valid unless it is approved by the Governor in Council.

I draw your attention next to this important section: The Minister of Finance shall deposit from time to time in the Bank of Canada or in a chartered bank to be designated by him to the credit of the corporation:—

(a) The moneys received from licence fees in respect of private receiving licences and private station broadcasting licences, after deducting from the gross receipts the cost of collection and administration, such costs being determined by the Minister from time to time;

(b) Any appropriation granted by parliament for the purposes of the corporation; and

(c) Any advances or grants to the corporation which are authorized to be made from Consolidated Revenue Fund.

The corporation shall establish and maintain an accounting system satisfactory to the Minister and shall, whenever required by him, render detailed account of its receipts and expenditures for such period or to such day as he designates, and all books of account, records, bank-books and paper of the corporation shall at all times be open to the inspection of the Minister or of such person as he may designate.

The accounts of the corporation shall be audited by the Auditor General of Canada and a statement of such accounts shall be included in the annual report of the corporation.

The corporation is empowered to make regulations for dealing with the operation of networks and matters of that kind, and possible expropriation of stations.

I draw your attention next to a further important section:—

The Minister shall, before dealing with any application for licence to establish a new private station or for increase in power, change of channel or change of location of any existing private stations or making any regulations or changes in regulations governing the activities of private stations, refer such application or regulation to the corporation, and the corporation shall make such recommendations to the Minister as it may deem fit. The approval of the governor in council shall be obtained before any licence for any new private station is issued.

[Mr. Leonard W. Brockington.]

We have found that the government, as they promised us when we came into office first, has not departed from the recommendation of the corporation with reference to the allocation of power. I should now like to deal with the question of how this board deals with applications for stations or power. There is a joint technical committee set up consisting of officers of the Canadian Broadcasting Corporation and officers of the Department of Transport, who examine into all the technicalities, the availability of wave-lengths and the needs of the locality and a number of those matters, in a preliminary inquiry into the allocation of any wave-length or any increase in power.

Factors are further considered that deal with questions of application or allotment in what we call the long-term policy or high-powered policy of the board of governors of the corporation. That policy, which has been stated with approval by the government, is briefly this: Without relying solely on the terms of the Aird report itself, but on what we believe to be the absolute, essential interest of broadcasting in Canada, the corporation has determined that it will retain in the name of the state control of high-power facilities within Canada; that no new station will be given a licence in excess of 1,000 watts and that no existing station of 1,000 watts or over will have its power increased. We do not seek a monopoly; that would be ridiculous, but we have determined, and the government has approved, that high-powered broadcasting in Canada shall be controlled by the Canadian Broadcasting Corporation for the benefit of the people of Canada.

That, briefly, is an outline of the more important sections of the Act under which we operate.

We have found some major problems, and we still find that one of the major problems, apart from the problem of finance with which I shall deal later, is the problem of coverage. It has been pointed out in debate in the House of Commons and in speeches by the Right Hon. Mr. Bennett, and in remarks that I made over the air, and in the notable speech delivered by the Minister, that we cannot rely upon private interests to cover isolated districts or to provide facilities for everybody, except when they are assured of a financial return. It may surprise you to know that in April, 1937, the director of, I think, the Federal Radio Commission in the United States, pointed out that even at that date three quarters of the people of the United States had no primary coverage from radio stations. But he did point out what is obvious, the inevitability of concentration of radio facilities in wealthy or populous communities. He mentioned that, although the great majority of the people of the United States were handicapped by the absence of primary listening conditions, nevertheless in the state of New York there were at that time thirty radio stations and in Chicago and Los Angeles, nineteen each.

I propose to give you, for the purpose of record, in order that the picture may be clearly before you, a few facts concerning coverage, and the number of stations either controlled by us or by private interests in the dominion of Canada. On November 2, 1936, which was the day on which we took office, there were seventy-five licensed broadcasting stations in Canada, of which eight were owned or leased by the corporation; two were owned by the government of the province of Manitoba, and sixty-five were privately owned. The total wattage in power on November 2, 1936, of the eight stations operated by the corporation, was 14,200 watts, and of all others 64,300, making a total of 79,000, a condition which, compared with other Anglo-Saxon countries, placed Canada, of course, far behind what one might reasonably expect to be its normal national occupation of air channels.

There are at present eighty-one licensed broadcasting stations in Canada. Of these six are owned and three are leased by the Canadian Broadcasting Corporation. One, C.B.C. station, is temporarily inactive. Two are still owned by the Manitoba government and seventy are privately owned. The total power

of stations now operated by the C.B.C. is 112,200 watts. There is an unoperated station of 1,000 watt power, and the power of all others is 69,200, making a total now of 182,400 watts. The increase in power between November 2, 1936, and the present for the C.B.C. stations is 99,000 watts, and for all stations, 103,400 watts.

Two new 50 kilowatt stations were established by the C.B.C. near Hornby, Ontario and Verchères, Province of Quebec, respectively. The power of station CBR, Vancouver, British Columbia, was increased from 500 watts to 5,000 watts.

The operation of station CRCT, and short-wave station CRCX, were discontinued. Operation of station CBW, Windsor, Ontario, has been temporarily discontinued by the C.B.C. since February 1 last.

On November 2, 1936, the Canadian Broadcasting Corporation's basic network, which was made up of some twenty-two stations owned privately and corporation owned, served approximately 60 per cent of the total population of Canada under normal conditions, but Mexican station interference at night reduced this service to approximately 49 per cent of the total population.

When the Corporation's new 50 kilowatt transmitters at Hornby and Verchères were placed in operation in December 1937, and with the CBC network extended to include some 39 stations, the network coverage was improved to approximately 76 per cent of the total population.

On January 1, 1939, when the new maritime and prairie 50 kilowatt transmitters are placed in operation the primary coverage will be extended to approximately 84 per cent of the total population of Canada. That means, also, that approximately one hundred per cent of the population of Canada will get some reasonable coverage.

It should be realized that all the listeners within the good service area of one or more C.B.C. or affiliated network stations are today receiving a much improved standard of network service. Network transmission quality has been improved and a greater broadcast program signal strength given generally throughout Canada.

The good service area is that region about a broadcasting station free from fading and all normal disturbances during a twenty-four hour period. The secondary service or extra night time service of the improved C.B.C. network has not yet been definitely determined, but it is fully expected that with the new 50 kilowatt transmitters operating in the maritimes and in the west, and with the coming into effect of the Havana wave-length agreement, to which I shall refer in a moment, next year every listener in Canada, including Yukon, Northwest Territories and Labrador, will be able to receive some C.B.C. network service.

Now, I shall just give you the figures in provinces as to the developments that have taken place in the extension of listening facilities. On November 1, 1936, the population of the maritimes, within the good service area was 47·5 per cent. We expect on January 1, 1939, it will be 71·2. In Quebec on November 1, 1936, it was 66·1; on January 1, 1938, it was 85·2 and on January 1, 1939, 85·2; Ontario, on November 1, 1936, was 29·6; that is for the population within the good service area; on January 1, 1938, 85·5 and on January 1, 1939, 85·5. In the prairie provinces on November 1, 1936, it was 55·4; on January 1, 1938, 64·9 and on January 1, 1939, 88·2. In British Columbia on November 1, 1936, it was 60·8; on January 1, 1938, 67·9 and on January 1, 1939, 67·9. For the total Dominion on November 1, 1936—I am referring to the population within the good service area—it was 48·8; on January 1, 1938, 76·5, predicted on January 1, 1939, 84.

Now, that was the position and that is the history of the development since our term of office in listening facilities.

[Mr. Leonard W. Brockington.]

One of the first things that we did when we took office was to apply to the dominion government for the institution of a conference between the nations of the north American continent and the south American continent for the purpose of enlargement and the improvement of Canada's general international position in broadcasting, and particularly the elimination of interference, which was seriously affecting and still does seriously affect listening throughout Canada, particularly from Mexico. I am able to announce the following tentative agreement arrived at between the nations as a result of the representations made. The government of Cuba invited representatives of Canada, Mexico and the United States to meet with them in a preliminary conference at Havana in March, 1937. The outcome of this preliminary conference was the basis upon which the redistribution of broadcasting channels for the countries of north America could be made, and a formal conference was called for the following November.

At the November conference a north American regional agreement was drawn up between Canada, the United States, Cuba, Mexico, Haiti and the Dominican Republic under which a definite distribution of clear channels for powered stations was made.

This agreement allotted to Canada eleven clear channels on which stations of 50 kilowatts or more may be used:—

- 1 for British Columbia
- 1 for Alberta
- 1 for Saskatchewan
- 1 for Manitoba
- 3 for Ontario, two of which are not particularly attractive, I understand;
- 3 for Quebec, and the same remark applies to Quebec;
- 1 for the Maritimes.

In addition the agreement assigns to Canada four other frequencies, two of which may be used for stations of five kilowatts, one for a station of ten kilowatts and one for a station of fifteen kilowatts. The agreement also provides sufficient channels for all stations of low power at present in operation in Canada. The agreement must be ratified by the four principal countries, Canada, the United States, Cuba and Mexico, before it becomes effective and for that reason it is unlikely that final changes can be carried out for more than a year. However, an important result of this agreement will be that it will clear all Canadian channels of Mexican interference, which now makes reception difficult and often impossible in many parts of the country, particularly the west and north. After ratification of the agreement arrangements will be made with the United States with regard to the use of low power stations. It is then expected that extra channels will become available for stations of low power for establishment at different points throughout Canada where they are most needed.

This year we propose to construct, unless some calamity happens to us, a high power transmitter in the maritimes, and one in the west. We propose also to remedy three local conditions which have long needed remedy, and have given not only us but the people in these districts some very serious concern. We find, that the people for instance of Sault Ste. Marie do not receive C.B.C. programs. We propose to extend our line to that neighbourhood, and also endeavour to make the Sault Ste. Marie station a basic station of our network. The same condition applies to Yarmouth, Nova Scotia. We propose to make the same arrangement there. We are hoping that with the elimination of Mexican interference that our big Toronto station may serve Sault Ste. Marie. We hope that the maritime transmitter will serve Yarmouth, but we are making arrangements which are strictly temporary looking to the removal of such Mexican interference, and the construction of the maritimes' transmitter.

There is a further condition in Prince Rupert, British Columbia. Unfortunately the cost of the extension of direct lines into Prince Rupert makes it practically impossible to extend them at the present time; but we are proposing either to make an arrangement with the British Columbia telephone department for radio telephone transmission, and if that is found to be impractical or too expensive, we propose to erect a 1,000 watt short-wave station on Lulu Island and with directional transmission we expect to be able to make reasonable reception of C.B.C. programs in the northern part of British Columbia an established fact.

Now, the problem of the distribution of programs in Canada is not only a problem of absence of high powered facilities, or C.B.C. facilities, but it is also due to the impossibility under private ownerships of stations to arrange for regular distribution of scheduled programs over the whole broadcasting period in anything like fourteen or sixteen hours a day. Some districts are well served, but programs in the main are bound to be unevenly distributed until we improve such facilities. I do not mean that private stations are not anxious to take our programs, they are more than anxious; with the exception of perhaps stations in some of the larger centres. Private stations in most of Canada could not live without our programs. One of the interesting sidelights was that when we announced construction in the maritimes, maritime operators came to Ottawa to see their members to beg that when the C.B.C. did have its transmitter in the maritimes we would still feed them with some C.B.C. programs. But unfortunately the private stations can only take, in the absence of a definite agreement for definite periods, programs at varying times suited to their own convenience. We decline to be a program building body that feeds and subsidizes private stations with C.B.C. programs to be taken at their convenience. I am going to give you an example exactly of what I mean. It may be that there has been chosen one of the most difficult times in one of the most difficult districts.

The C.B.C. is often blamed for programs which it does not initiate. I brought the list of the programs with me, and I hope before this committee rises, at the end of its session, it will peruse the list which we put out. One of the difficulties is some of our best programs are not heard, and we are frequently blamed for programs of indifferent merit that are occupying periods in which national broadcasting does not take place on stations who are originating their own programs.

I am just going to give you the result of a survey recently made, in the city of Winnipeg, governing western Canada. Program features like the Hart House String Quartet, Chuhaldin's Melodic String, the Damrosch Music Appreciation Hour, and the Metropolitan Opera Company, offered by the Canadian Broadcasting Corporation for network consumption, are not being heard at all, or heard only partially in western Canada, because of commercial or other commitments on the part of the private broadcasting stations which serve this territory, according to a program survey completed this week by the Corporation's western regional headquarters in Winnipeg.

During the week of February 13-19, a typical week, chosen at random, three programs offered in western Canada by the C.B.C. were not heard at all. In the same week, 22 programs were heard on only one station from Winnipeg to the Rockies. Thirteen programs were heard on only two stations, and 12 on three. Seven programs were heard only partially. On Monday, February 14, at 6.45 p.m. Winnipeg time, C.B.C. offered an informative review of trade and industry called "Canada Week by Week". No station in western Canada carried it. It was not heard at all.

On Wednesday, February 16, C.B.C. offered a talk by Dr. C. M. Bailey of the National Research Council on the highly practical subject of "Science and our Clothes", one of a series called "Science at Work". Every station from [Mr. Leonard W. Brockington.]

Winnipeg to the Rockies ignored this talk, either because they were fulfilling commercial commitments or broadcasting local sustaining programs.

On Friday, February 18, C.B.C. offered a biographical sketch of the Cure LaBelle by Mr. R. L. Calder, K.C., one of a series called "Canadian Portraits". Not a word from Mr. Calder was heard in western Canada.

A highly and popular and attractive program is that called "Streamline", produced by C.B.C. in Toronto under the direction of Mr. Percy Faith. At 7.30 p.m. Monday, February 14—past the dinner hour—C.B.C. offered this to its western and other networks. It was carried in the west by exactly one station—CKY, Winnipeg.

During the European crisis the other day, for example, B.B.C., that is the British Broadcasting Corporation, provided the actual speech of Chancellor Hitler at Vienna, with commentaries in English. It also gave first-hand broadcasts by observers just back from Vienna, with interpretive talks. Its musical features include excerpts from the best operas, with famous singers and music by the B.B.C. symphony orchestra under Sir Adrian Boult. It was hardly heard in western Canada.

What sort of coverage does "London Calling" get? On Monday, February 14, it was carried by CKY in Winnipeg, and by one small station in Prince Albert for half an hour out of the hour and three quarters. There are all kinds of things like that, but I do not want to go on reading them; I shall give you just one outstanding case. An outstanding case is that of the Metropolitan Opera Company. C.B.C. offered this as usual on Saturday, February 19, from 12.40 to 4.15 p.m. No station in western Canada carried it in its entirety. All the coverage given was partial, in most cases cutting-in in the middle of the performance, in others lopping an hour or forty-five minutes from the end. The treatment of the opera has been described by indignant listeners as "unmerciful butchery." Obviously, partial coverage in some cases can be worse than no coverage at all. This is why C.B.C. offers the whole of the opera and devotes three hours network time to it on Saturday afternoons.

Now, that is the position. I will agree I have given you perhaps the worst picture of a difficult time in what was then a bad district, to which a number of our programs are being taken. But the difficulty is to get uniform and extensive listening to good programs throughout Canada. You will never get that until the state controls its own broadcasting facilities under the system of high power chains to which I refer.

Now, it was our duty as members of the Board of Governors to frame regulations governing broadcasting in Canada. We framed these regulations after many earnest conferences, both with ourselves and with private broadcasting people. Our instructions have been and are that the regulations shall be lived up to.

We have, however, instructed our officials to find out if there are any regulations which are unworkable, which work undue hardship and which should be amended, in which case we have asked for a report in order that we may deal with them on that basis. I point these things out just to advise you that we have taken every precaution to see that our regulations are reasonable and workable.

Our regulations deal in the main, first of all, with the keeping of logs by private stations, and then certain prohibitions as to broadcasting. We have types of programs which under the law it is contrary to law to broadcast. It is contrary to law to broadcast the proceedings of trials, the actual proceedings of trials in Canadian courts of law. We do not allow the broadcasting of abusive comment upon any race, religion or creed. We do not allow the broadcasting of abusive, indecent or profane language. We do not allow the broadcasting of malicious, defamatory or scandalous matter, advertising matter which contains false or deceptive statements, false news, birth control, venereal

disease, except in a manner and at a time approved of by the general manager, fortune tellers, crystal gazers, and all the like. These are the only prohibitions that we place upon broadcasting and upon broadcasting of speech over the air. As the matter of broadcasting speech over the air has been an issue in Canada recently and may be an issue I should like to offer a few remarks about the attitude of the Corporation on the vexed and topical subject of freedom of speech.

We believe that censorship is undesirable and perhaps impossible beyond the limits of decency and the minor and necessary prohibitions which we have fixed in our regulations. We have always, and shall continue always, to take care in the selection of network speakers to see that they are competent to discuss public problems within recognized amenities. We deprecate any tendency on the part of the owners of private stations to allow their own political or social opinions to affect broadcasts from the station which they control. Censorship itself depends on the opinion of an individual possibly no better qualified to express an opinion than the person he censors. We believe radio speech should be allowed to be forthright, provocative and stimulating. In controversial matters we have tried, and shall try, to allow for the free expression of varied and opposite opinion. Perhaps on occasions, enough varieties of opinions have not been expressed. We believe that national problems and international problems should be discussed by Canadian citizens without restriction or fear. It may be that some opinions largely held, have remained unvoiced. This situation will be remedied.

We are opposed to, and shall resist, any attempt to regiment opinion and to throttle freedom of utterance. We have not the slightest reason to believe that the government is desirous of such regimentation. Rather we have every reason to believe that the contrary is true. We are prepared, of course, to recognize that in times of war, or perhaps during the imminence of national peril from external sources, some government control might be necessary. Until that occasion arises, the Corporation having selected competent commentators and speakers does not propose to interfere with the right of free expression.

We are opposed also, and shall always be opposed to any attempt to buy the right on our network for the advancement of personal opinion or propaganda. If opinion sufficiently informed on the lips of an attractive speaker is available, it will be offered by the C.B.C. without remuneration as a contribution to national enlightenment and provocative discussion. The free interchange of opinion is one of the safeguards of our democracy, and we believe we should be false to our trust as custodians of part of the public domain if we did not resist external control and any attempt to place a free air under the domination of the power of wealth. I have thought it necessary to make that statement.

Some of our other regulations deal with political broadcasting, which re-enact the provisions of the Broadcasting Act dealing therewith, and I may say that we are seriously studying some method of limiting the volume of political broadcasting in an election, because we found in the last Ontario election that the volume of entertainment and enlightenment was seriously out of gear because of the large amount of political broadcasting that went on. We realise it is difficult, but we are considering the possibility, and will continue to do our best to deal fairly with all parties to see if there cannot be some little regulation of the total amount of time occupied. We passed regulations dealing with advertising content, with advertising programs, with spot announcements, drugs and patent medicines, priority of programs and the operation of networks. As there has been some discussion on the question of broadcasting of news, I will tell you that our regulations are briefly this: we allow the broadcasting of news gathered for us by the Canadian Press. It is gathered, if I may say so, as a service which is given free by the press to the C.B.C. The gathering of our own news would be a very expensive enterprise and one

[Mr. Leonard W. Brockington.]

which we cannot engage in at the present time. We allow the broadcasting of news gathered by any private station or provided by newspapers at their own points, and we also allow the broadcasting of news from any source, provided that source is first approved by the Corporation.

In addition to the construction and coverage program which we carried out we believed it was necessary in the interests of good broadcasting to extend the hours of broadcasting and to negotiate a new wire agreement with the railway companies in place of the existing agreement which still had two or three years to run. We believed the extension of time is necessary for good broadcasting, to allow for the provision of daytime features; and generally the extension of our high power facilities in Canada was necessarily interwoven with the extension of broadcasting time.

Now, may I say that the result of the new agreement was that we have been able to increase our available broadcasting time from an actual period of six to sixteen hours per broadcasting day at an added cost of \$40,000 per annum for the first two years, and \$200,000 for the succeeding three years. We are now broadcasting twelve hours time at the former price of six hours. Our facilities have been increased 167 per cent and the cost has been on the average increased 47 per cent. There are a number of advantages under the new agreement which I have mentioned here, but as I am taking up an unreasonable length of time I think perhaps I will let them alone for the moment.

I want to give you some figures on the program development, because I think in any discussion that may subsequently take place, and the questions that you may ask the general manager, you may like to have these figures before you. From the 31st March, 1936, to the 31st March, 1938, the following changes have taken place in the percentage of the application of the Corporation's funds to the various activities in which it is engaged. In 1936 administration costs were 7.57 per cent of the whole of the revenues of the Canadian Broadcasting Corporation; at the 31st March, 1938, they have been reduced to 5.66.

By Hon. Mr. Lawson:

Q. You mean 1937, do you not?—A. I beg your pardon?

Q. You mean 1937. We have not arrived at March 31, 1938.—A. I am estimating it for this month. I do mean 1938.

Q. I thought you started off by saying the comparison was going to be from March 31, 1936, to March 31, 1938.—A. 1938. I can give you the figures for 1937, but I have missed the intermediate step, because there has been a progressive reduction.

Q. But the figures in the percentage that you are now going ahead to give are a contrast between March 31, 1936, and March 31, 1938?—A. That is it, sir. The program percentage on March 31, 1936, was 38.99. The amount that will have been dedicated to programs by March 31, 1938, is 53.67. Line expenditures, 28.33 and for 1938, 21.95. This year we have paid \$602,000 to Canadian artists, exclusive, I believe, of the members of organizations such as choirs and fixed orchestras. We put on 1,000 Canadian programs per month originating in Canada and employing Canadian artists. We have employed, I think, some 2,800 Canadian artists exclusive of the members of organizations. I took a sample week in order that you may get the proportion of the time between sustaining and commercial programs and between Canadian and American programs, the following are the facts: the number of broadcasting hours 99½, sustaining programs Canadian 57½, the per cent 58.9; American sustaining programs 17½ hours, percentage 17.8; B.B.C. 12 hours, percentage 12.1; commercial programs, Canadian, 3¼ hours, percentage 3.2; American, 8¾ hours, percentage 8.9.

I have brought, as I told you, before this committee, the list of the programs which we have put on since our inception. One of the difficulties, as I have explained to you, is this, that I do not think in general many members of

the public realize the large amount of programs that are available in varying numbers throughout the country. I am therefore going to ask the members of this committee if they have time to inspect the material which I have placed before them.

The finances of this Corporation are dealt with specifically by a sub-committee that the Corporation set up. I think perhaps I should not apply epithets to my colleagues, but I believe that those who know either Mr. Morin of Montreal, General Odium of Vancouver or Mr. Nathanson of Toronto, will admit that they are experienced business men. I hope that the Canadian Broadcasting Corporation has always as it has at present some optimists at the front, but I take it that parliament and the minister will always be glad to know that there are also some pessimists at the rear, and I think I may say that throughout our activities Mr. Nathanson, Mr. Odium and Mr. Morin have certainly been pessimists at the rear.

Now, I should like to point out at the outset that all the revenue of the Canadian Broadcasting Corporation (which is sometimes forgotten), goes to the improvement of programs and services. I am going to leave the detailed references to finances to Mr. Murray when he goes on the stand. I should just like to say this, that as on March 31, 1938, which is the end of our fiscal year that is rapidly approaching, the Canadian Broadcasting Corporation will show an operating surplus of \$138,000, which I may say is quite contrary to some of the statements that have been made in public concerning the Corporation's financial position. We shall show as on March 31, 1938, an operating surplus on our year's activities of \$138,000. For the year 1938-1939 we propose to budget for some \$3,200,000, of which \$2,700,000 will be derived from licences, leaving \$500,000 from commercial activities. All items in that budget are not yet available, because we have asked a revision of a number of them in the hope that there will be considerable savings in some items which will be applied to program development. I may say further, we have estimated our revenue in the proposed budget on a conservative basis, a very conservative basis, I think. We are providing for a contingent reserve of \$100,000 and a special station reserve of \$300,000 covering operations of new stations and improvement of equipment which will project the reserve into the year 1939-1940, in case we meet any calamity or other contingencies that may arise. We have also provided for the payment of the annual charge for capital and interest on the money advanced by the Government for the construction of the Vercheres and Hornby stations.

Now, as has already been pointed out, I take it there are a number of methods of financing growth. I think I should just once again recapitulate what I believe them to be and perhaps voice some of the objections to them from our point of view. We can obtain additional revenue from commercial sources. We have set ourselves a limit of \$500,000 as has already been announced. We believe that any attempt to obtain considerable additional revenue above that amount from commercial enterprises would be contrary to the purposes for which we were created. We have suggested an increase in licences, which I understand, in some limited sections of the country is not popular. I did not imagine it would be, but it has seemed to me, however, and perhaps this is my own personal view, that while a direct tax for this purpose might be embarrassing it is at least honest. It tells the listening public exactly what they are paying for these services. When I had the honour of making a few remarks a while ago, I received a few questions from people as to the absence of licences in the United States. Does anybody think for a moment that the listeners of the United States are not paying greater tribute for radio listening than the listeners of Canada? Who is paying for the profits of the radio station? Who is paying for the profits of the manufacturers, etc.? Who is paying for the artists, and who is paying for all these large programs if it is

[Mr. Leonard W. Brockington.]

not the listener of the United States? It has been calculated that the actual annual imposition on the American listener amounts to \$20. That may be too high, but do not let us ever think that a comparison with listening conditions in a country that is wholly commercial and listening conditions in Canada is necessarily unfavourable to the Canadian listener.

Now, there have been suggestions made of an annual subsidy. With the suggestion of indirect taxation I will have nothing to say, because it is none of my business. An annual grant by parliament would solve a lot of problems, no doubt, and would make much easier the difficulties of the C.B.C. and parliament; but I do want to point out, having regard to the independent position which this Corporation was intended to occupy, that an annual grant will leave a great uncertainty hovering over the Corporation. It will be difficult to budget. It will be subject to the caprice of the vote of parliament. The Corporation has by law been removed from that annual hazard. It will not be a tax on the users of the commodity. It will do something with this Corporation which from the national point of view will be a calamity. It will eventually throw this national radio business right into the very vortex of politics.

Now, in some respects I admit that the position of the Canadian broadcasting enterprise is to some extent paradoxical. As I pointed out before, we did not create the conditions under which we function; we inherited them. We are operating under an act of parliament with a parliamentary background. I will agree that at the present time we appear to and we are obliged to accept commercial revenue in the hope that ultimately commercialism will be restricted. That is a paradox, but it is an understandable paradox. I agree we regulate and perhaps we temporarily compete with private stations, but I really believe that our construction and our development and improvement of listening conditions, and the raising of the standard which we hope will continue in radio throughout Canada is not only a benefit to the listener of Canada but also is a definite benefit to the private operator.

Amongst the three chief English-speaking nations we present another paradox. We are at once, as far as radio is concerned, the weakest and yet the strongest. I may be a visionary, but I believe that as our high-powered stations develop and the broadcasting of our programs widens, the Dominion of Canada will be able to supply the best fourteen hours radio, consecutive radio, in the English-speaking world. We are occupying a position which, I think, it would be the height of folly to sacrifice. We sit between one civilization that has developed and is devoting at the moment \$100,000,000 to broadcasting production, and another devoting \$25,000,000. We are taking the cream of the programs from the United States of America. I do not think there is any doubt about that. Mr. Murray calculated it for me yesterday, and he showed that if we paid our share of the sustaining programs that we take from the United States, having regard to population on a station basis, for sustaining programs alone, we would be paying them \$600,000 a year. We are obtaining many of the best programs from Great Britain. We are going to obtain better ones. Mr. Gilliam of the B.B.C., who has recently been visiting Canada, has discussed the problem with Mr. Murray and myself, and we have been asked to indicate to the B.B.C. what improvements we thought they should make in broadcasting programs to us to suit our needs. I have every confidence that that end of our enterprise will be improved. As I say, I may be an optimist, a visionary, but I cannot believe that with the progressive development of national broadcasting in this country that the Canadian listener will not receive the best consecutive fourteen hours' broadcasting in the English-speaking world. We will have the best American, the best English, and we hope that with our increased resources we will be able to make available the very best Canadian programs.

By Mr. Bertrand:

Q. Do these conditions apply to the United States in connection with the United Kingdom? They have the best American programs in the United Kingdom.—A. Who do?

Q. Great Britain.—A. No, I do not think so. I think there are very few broadcasts to Great Britain from the United States.

Q. From Great Britain to the United States?—A. There is some national broadcasting, but certainly not on a regular schedule. Mr. Murray will answer these questions.

Now, I hope throughout the discussion I have not appeared to speak with any vainglorious opinion. As I said to you at the beginning, the members of this corporation have a selfless enthusiasm for what we are endeavouring to build up. That is all.

I think I can say this: we have doubled our listening time; we have doubled the programs that we present; we have built two of the best stations in the British Empire and we hope at the end of twelve months to have built four of the best in the British Empire. We give our listeners, it is true, varying opportunities for listening to fourteen hours at least of variety from Canada, from Great Britain, and from the United States. I think there is one thing that is sometimes forgotten. I think we have extended the opportunity to the poor man in Canada to listen, without great expense, to a variety of programs that have hitherto not been available. I wish I could tell you some of the little human interest stories of this Broadcasting Corporation, but I will tell you of two things. A man spoke to me on the street in Winnipeg the other day and he said, "Do you realize that since listening time has been extended and variety has been made that I can now sit with my family with a one-tube set without switching from a Canadian station and get the programs of entertainment I want." A French-speaking taxi driver who drove me to the radio office the other day said: "Well, we sure like some of the new programs." I said, "Well, now, do the French people like some of these American programs?" of which some complaint is made. He said, "Yes." I said, "How is that?" He said, "You know, Mr. Brockington, in times like these the poor man does not have much pleasure and he has much distress." He said, "We search the radio looking for jokes." I just gave you these two little anecdotes to show you the reaction of some people to the comments that one hears.

May I conclude by speaking at once personally and impersonally, personally on behalf of my colleagues and impersonally because I realize that our association with broadcasting in the very nature of things can only be temporary. It is inevitable that at every stage in the development of the national enterprise of radio there shall be mobilized against its progress the influences of those who imagine, often in error, that their financial interests are jeopardized.

I believe in the main that the Canadian press exhibits the attitude which was shown the other day by a gentleman whose name which I mention with honour. I refer to Mr. P. D. Ross of the *Ottawa Journal*. I heard on the highest authority that he went to the editorial room of the paper carrying with him a copy of the address made by the Honourable Mr. Howe and a copy of my remarks on the air, and he said to the members of the editorial room: "Do you know any reason why public progress should be impeded or retarded because the *Ottawa Journal* may stand to lose a little money?" That gentleman I honour, and I believe in the main that is the attitude of the Canadian press towards the progress of broadcasting.

I see evidences of opposition from manufacturers, possibly from manufacturers who believe that there will be some reduction perhaps in their sales and their profits because of the enlargement of our activities. I see opposition from some private stations who feel that their activities and their enlargement

[Mr. Leonard W. Brockington.]

might be either restricted or interfered with. But our experience confirms us in the unanimous opinion that the national radio is a cause well worth working for, and I believe from instances which have come to me, resolutions, conversations, and letters, that in the main the people of Canada see the case clearly before them. Perhaps it is not without significance that the United States of America is at the present time exploring the possibility of making some regulation and perhaps some nationalization of the industry in that country.

I believe the progress of national radio is inevitable, and will bring increasing happiness to our citizens. I believe the people of Canada will eventually be grateful to the statesmen and parliament for the remarkable unanimity of support given to the progress which made this enterprise possible.

The maintenance of the national position needs vigilance and determination. It has been well remarked by a speaker in the Canadian House of Commons that the air is the last part of the public domain that remains unalienated. Without public control and progressive public development, sustaining, educational and cultural features cannot be extensively broadcast. Without public control, listeners in isolated and less populous parts of the country cannot enjoy the privileges which have hitherto been reserved for some of the great centres of population: The decision of The Canadian Broadcasting Corporation to extend its listening facilities, to increase and improve its programs, and to maintain state ownership of high-powered facilities, and to subserve all interests to those of the listener is only the implementing of the paramount duty which has been set upon us by the parliamentary trust which we have undertaken. From that trust, that duty and that determination, this board of governors does not propose to deviate; and I hope that we can with confidence ask this committee to give us its continued encouragement and support. I hope I have not been too long, sir.

The CHAIRMAN: Gentlemen, do you wish to ask any questions of Mr. Brockington?

Hon. Mr. LAWSON: Just before proceeding with questions, Mr. Chairman, I was wondering if these program schedules were intended for distribution, because all of them seem to have a different month. I happen to have one for August, Mr. Turgeon has one for July and Mr. Barber has one for September.

Mr. MURRAY: There has been only one set distributed.

Hon. Mr. LAWSON: Might I suggest that they be left with the clerk. I am much more interested in seeing schedules for more recent months, instead of for August of 1937:

Mr. FACTOR: You had better file them all with the clerk.

Hon. Mr. HOWE: Yes.

The CHAIRMAN: Is it your wish, gentlemen, to complete Mr. Brockington's remarks, that these programs should be put in the record?

Hon. Mr. LAWSON: I think they should be filed with the clerk so that we will have an opportunity of looking at them.

The CHAIRMAN: Do you suggest that they should be put in the printed record?

Hon. Mr. LAWSON: You are not going to print them, are you?

The WITNESS: I suggest that you do not put them in the printed record; it would take a tremendous amount of time; not that I would not want them there, but I think it would be unnecessary printing.

Hon. Mr. LAWSON: Just leave them with the clerk so that we can refer to them.

The CHAIRMAN: Gentlemen, do you wish to ask Mr. Brockington any questions?

Hon. Mr. LAWSON: Mr. Chairman, I have another general matter I would like to mention arising out of Mr. Brockington's remarks. In view of the fact

that Mr. Brockington has read to the committee excerpts from the minutes of the Canadian Broadcasting Corporation, the board of governors, I presume the whole minutes will be available to members of the committee for perusal.

The CHAIRMAN: Do you mean the minutes of every meeting?

Hon. Mr. LAWSON: The minutes of all the meetings of the board of governors of the Canadian Broadcasting Corporation.

Hon. Mr. HOWE: I doubt if those are proper records. A copy is filed with me. It is entirely a matter of internal management, and I do not know why we should broadcast them to the world. We certainly do not in connection with the Canadian National Railways. We would not think of producing them and I do not see that there is any difference here.

Hon. Mr. LAWSON: Mr. Chairman, it would seem to me that in view of the fact that this committee of the House of Commons, one of the houses of parliament, is a quasi judicial body—it would seem to me so contrary to every principle of British justice that a witness could come here and select an excerpt from minutes of the Broadcasting Corporation and then preclude the committee from access to all those minutes. I think it requires no argument. Therefore, I am going to move that the minutes of the board of governors of The Canadian Broadcasting Corporation be filed with the clerk of the committee and be open to inspection by any members of this committee.

And, Mr. Chairman, if I may say so, and I trust you will understand that this is with no disrespect to you, I have been on a good many committees, and this is the first time I have ever observed the chairman of a committee referring to the Minister who sits beside him for directions as to what he should do with a suggestion made by any member of a committee with respect to any matter being investigated by the committee; and it is a practice I would not like to see continued.

Mr. FACTOR: That is a rather unkind remark.

Hon. Mr. HOWE: I may say that I have been sitting opposite the chairman of committees in which my department is concerned for at least two years, and this has been a frequent practice.

Mr. BERTRAND: The Minister in the previous regime sat next to the chairman of the committee.

Hon. Mr. HOWE: Always. It has gone on since confederation.

The CHAIRMAN: Before we get into a heated argument, if I have done something which is not according to Hoyle, I hope Mr. Lawson will be kind enough to pardon me, but I would like to refer to the order of reference under which we are proceeding:

That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the Corporation with special reference to revenues, expenditures and developments, with all powers vested in the standing committees under standing orders and the resolution passed by this House on the 7th of February, 1938.

Mr. TURGEON: Is the motion under discussion?

The CHAIRMAN: Yes.

Mr. TURGEON: Mr. Chairman, I rise to take positive exception—

The CHAIRMAN: Just a moment, Mr. Turgeon, I will read the motion: Moved by Mr. Lawson that the minutes of the meetings of the board of governors be filed by the governors with the clerk for the information of the members of the committee. That is the motion.

Mr. TURGEON: Mr. Chairman, I rise to take positive exception as a member of parliament to the passing of this resolution. In passing, may I say to Mr. Lawson, who moved this motion, that his remark preliminary to the discussion

[Mr. Leonard W. Brockington.]

of his motion was not founded on fact. He said that the witness came here, read a portion of a minute or some minutes of a meeting and then precluded the production of all the minutes of the board of governors.

Hon. Mr. LAWSON: No, no.

Mr. TURGEON: Those were your words. If I misunderstood you, then I take back what I am saying. But I would say two things: the portion of the minutes read by the witness referred only to an item from the speech of the Minister which indicated not a transaction of business at all but the spirit under which he, the Minister, hoped the board of governors would carry on their work. Now, because that abstract of the minutes has been read by the chairman of the board of governors, upon that is built a motion that all minutes of the transactions of business should be produced.

Personally, I am not enamoured of government ownership of many things, but we have government ownership of radio to the limit and extent that it is exercised by this broadcasting corporation. But if I wished to destroy that which parliament has set up, if I wished to make it impossible for government ownership and government control of radio operations to continue, I would ask, as the member was asking—I do not mean that that was his intention—but I would ask and press for the production before a parliamentary committee of all the minutes of the meetings held by the board of governors. If we did that, Mr. Chairman, I say that before one session of parliament was completed we would have the destruction not only of the corporation, but we would have the resignation of the board of governors, without question. I know I would resign if I were on the board of governors of a corporation of this nature, and I would force the production of the minutes of every meeting that took place, considering the terms under which the individual members of the board of governors are acting. You would not only have that, but you would have the ruination of the very thing that parliament tried to produce, government control of radio.

I have some complaints against the operation of this radio broadcasting corporation, naturally. No member could represent a district of any kind without having complaints. I represent one of the districts singled out by the chairman to-day in his remarks, Northern British Columbia, which even the board of governors recognize has not got the proper coverage. And at the proper time I intend to say something here with regard to what I might call the lack of service in that district. But I am not blaming the governors for that, nor do I expect to find a remedy simply by being permitted to peruse and to discuss the minutes of the meetings of the board of governors held from time to time.

I am just as fond of the principle of British justice as is any member of this committee. I do not like government ownership of very many things, but I am just as anxious that this body should be successful in its operations as anyone, and I wish to do nothing whatever that will tend to destroy that which they are trying to carry out. Therefore, I am opposing this motion and I am asking every member of this committee, regardless of complaints against the operations of this corporation, to consider what is implied and what must necessarily result from the production of the minutes of the board of governors. Just look back and see the crippling effect that that will have upon the meetings of the board of governors if they cannot discuss the problems that come up and reach conclusions, thinking only of the successful operation of radio in Canada, without having lurking in the mind of each individual governor the fact that whatever he says to-day or whatever he may propose to do is going to be discussed openly by members of parliament. Are we not going to cripple them when they are sitting around the table thinking of their business in order to reach greater success in the operation of that which is the pride of Canada, the Canadian Radio Broadcasting system?

While I am on my feet, Mr. Chairman, may I, representing a portion of Northern British Columbia, bring to your attention a serious handicap which is caused largely, I think, by a condition which the board of governors possibly may not be able to remove. There is a mountainous condition there which might create an extra impediment, but I wish to say to the governors that the district which I represent is not receiving the proper reception, or is not provided with the proper reception facility which the owners of radios should have. I intend to discuss this later.

I would like to thank the governors, and particularly those two representing British Columbia, Mrs. McClung and Brig.-Gen. Odum, for the attention which they have given to the work of Canadian radio since they have been appointed, and for the manner in which they are carrying out their task.

Once more, I sincerely hope that this committee will not further press, and certainly will not carry, the motion for production of all the minutes of the board of governors.

Hon. Mr. HOWE: May I say that the minutes from which Mr. Brockington read were not minutes of a meeting. They are regulations.

The WITNESS: No, sir. I will explain, if I may. I should have made it quite clear that I was speaking of a preliminary meeting of the board of governors. What happened, Mr. Chairman, and gentlemen of the committee, was this: The Canadian Broadcasting Corporation came into office on the second of November, 1936. There had been some kind of error in the legislation, and there was a period of hiatus of about a month between the date of the functioning of the old commission and the beginning of the functioning of the new. We had to make arrangements concerning a general manager and an assistant general manager, and generally to order the production of certain documents. We, therefore, had a meeting before we were legally constituted. It was from that, the minutes of that informal meeting before we took office, that I read the extracts. I have, therefore, not read any minutes of the board of governors of the Canadian Broadcasting Corporation as legally constituted. What I read was an extract from a preliminary survey meeting in which we had a conference with the minister and made ourselves acquainted one with the other.

Hon. Mr. LAWSON: Then I will put it on much broader grounds.

The CHAIRMAN: Before you go on, I have the statement here that Mr. Brockington read, which is the minutes of a preliminary meeting of the board of governors of the Canadian Broadcasting Corporation in Ottawa, September 26 and 27.

I think, Mr. Lawson, if you had been able to see the words and know something of the conditions of this meeting you would not be of the opinion that those are minutes of the radio broadcasting corporation. It is really a preliminary conversation. You can have a copy of this.

Hon. Mr. LAWSON: May I ask the witness a question?

Hon. Mr. HOWE: It is not the purpose of this committee to change the relationship between parliament and the Canadian Broadcasting Corporation. The Canadian Broadcasting Corporation, as constituted by Act of parliament, have full autonomy. The only reason I am given a copy of the minutes is that I am spokesman for the committee in parliament, and they think it is good business for me to be familiar with what they are doing. But, nevertheless, they have full authority to do as they please, subject to the limitations of their Act. Of course the minutes not only record what they decide to do, but what they decide not to do; and they are purely private documents, and I think the government must insist that that privacy be respected.

Mr. HAMILTON: Mr. Chairman, I just rise to disagree with Mr. Lawson. I think the representations he has made go much further than the legal principle [Mr. Leonard W. Brockington.]

suggested, unless this parliamentary committee has much wider scope than an ordinary court of law. In an ordinary court of law, it would not be the field covered by that particular subject; it would not be the whole field of documents or minutes or resolutions. There would be some affidavits and so forth indicating what did affect that very issue. It may be that this committee goes further afield. But dealing with the subject that the governor, Mr. Brockington, mentioned, namely, the relationship on which the governors accepted the trusteeship, I submit that only matters connected with that issue should be dealt with and not a general, wide, sweeping investigation of everything.

MR. FACTOR: Mr. Chairman, I think Mr. Lawson, from the wide experience he has enjoyed in parliamentary investigations, will realize that he has gone a little too far. I am ready to concede that, on matters of policy to be investigated within the terms of the reference submitted to this committee, Mr. Lawson would be entitled to ask the chairman of the board of governors, or any member of the board, as to their view upon the policy decided. But to file with this committee and make public property the private business of the corporation is beyond all precedent.

Mr. Lawson will recognize that even in investigations before the Tariff Board matters of a confidential nature are never produced to concerns for the simple reason that competing concerns will get the advantage of that information. Naturally, if we are going to lay on the table of the House all the minutes of the board of governors, the privately owned stations would be more than happy to get some of the information contained in those documents.

I do want to appeal to Mr. Lawson in this respect. If there are any questions which he desires to ask on matters of policy, such as revenue, advertising, and the like, he is privileged to ask for the production of those particular decisions; but simply to lay on the table of the house the whole business is entirely beyond the jurisdiction of this committee.

HON. MR. LAWSON: May I ask a question, Mr. Chairman?

THE CHAIRMAN: Yes.

By Hon. Mr. Lawson:

Q. Mr. Brockington, what you read us was an excerpt from a preliminary meeting of the board of governors. Is it recorded in the minute book or is it not? —A. It is not. It is not in the minutes of the board of governors as legally constituted.

Q. Then it is not an excerpt from the minutes of the board of governors?—A. I said it was a preliminary meeting of the board of governors. I did not imagine there would be the slightest objection to my reading it. If my explanation as to the circumstances under which the meeting was held was not clear, or if anything I said led you to any other impression, I regret it very much. It was a meeting held in September when we met informally to consider the position which we were going to take in November, 1936.

HON. MR. LAWSON: Then, Mr. Chairman, I will put it on a much broader basis than I did at first. This committee, according to the reference, is to consider the policy of the Canadian Broadcasting Corporation. The written record of that policy is the minutes of the meetings of the board of governors. I think this committee, in a matter of policy, is just as much interested in what the board of governors did not see fit to do as in what they did see fit to do. We will take the civil service committee as an example. You have had several parliamentary investigations of the Civil Service Commission. I was chairman of two of the committees. No thought or question was ever raised, when it was asked for by a member, that the minutes of the Civil Service Commission be produced. All their rulings, in fact, all their files were made available to members of the committee.

Hon. Mr. HOWE: Do you see any difference between the civil service commission and this commission.

Hon. Mr. LAWSON: Very little.

Hon. Mr. HOWE: Well, you had better read the legislation setting up both.

Hon. Mr. LAWSON: I have read the legislation setting up both, and I have the slight advantage of having a mind trained to read legislation.

Hon. Mr. HOWE: Perhaps so.

Hon. Mr. LAWSON: Let me make this very plain—

Mr. BERTRAND: He has a good opinion of himself.

Hon. Mr. LAWSON: Mr. Bertrand, I have an equal opinion of you from my past experience with you in Montreal as a counsel. Because of what Mr. Turgeon said in particular I want to make this clear. I have a very sincere desire to be able to come to a conclusion in my own mind, first, as to whether or not we are on the right track in connection with the nationalization of radio and the course of administration we are now taking. Mr. Brockington has indicated that he holds very clear views that it is working for the benefit of Canada. I am free to say that up to this moment I have not a clear view, and I cannot have it until I can get all the necessary information. But I have had a mass of allegations made to me by parties many of whom I realize may be prejudiced or biased and trying to serve some private interests; therefore I want to know for my own satisfaction, and I do not know of any way in which I can get to know, what is the policy of this Canadian Broadcasting Corporation, unless I have access to the written record of that policy. And for the life of me I am unable to see, when a clear reference directs this committee to inquire into policy, how it can inquire into policy by listening to the eloquent utterances of Mr. Brockington or other ladies and gentlemen of equal qualifications.

Therefore, Mr. Chairman, I press my motion. I am not asking that the minutes be made public. My motion is that the minutes be deposited with the clerk of this committee and that they be available to members of this committee only.

Mr. BERTRAND: Mr. Chairman, my hon. friend either wants to know something or he wants to go fishing—one of the two. If he wants to know something in particular, a witness might be called from whom he could get the necessary information. He says he has a mass of documents and these documents are about something in particular.

Hon. Mr. LAWSON: I said a mass of allegations.

Mr. BERTRAND: Then they are not general allegations, they are about something in particular, and he can get all the particulars he wants from witnesses.

Mr. HAMILTON: He can also ask if there were any extracts from the minutes covering the matter he has in mind.

Mr. FACTOR: It is unfortunate that Mr. Lawson does not see fit to withdraw his motion, because he is placing us in the position—and I am saying it deliberately—that he will go out now and say that this committee has refused to get all the information available.

And Mr. Lawson has not in any way answered my point that a parallel exists between the C.N.R. That board, before parliamentary committees, has always refused to lay on the table of the committee private and confidential minutes of the board of directors, for the simple reason that there is a competing concern which would very much like to get some of the information concerning the internal management of the railroad. Furthermore, it is unthinkable to have a condition arise whereby the public will receive information as

[Mr. Leonard W. Brockington.]

to the internal management of this commission, an independent body created by parliament as such. That information would be available to competing concerns.

The CHAIRMAN: Before we put the question, I doubt very much if our order of reference will allow us to go as far as you wish us to go, Mr. Lawson. I think the example which Mr. Factor has cited is practically the same as this. I have sat on that committee for years, and never to my knowledge have the minutes of the meetings of the directors of the Canadian National railways been asked for or been produced before that committee.

Hon. Mr. LAWSON: That is the point; I do not think they have been asked for.

The CHAIRMAN: Do you insist on a vote on your motion?

Hon. Mr. LAWSON: I do.

The CHAIRMAN: Gentlemen, it is moved by Mr. Lawson, seconded by Mr. Barber that the minutes of the meetings of the board of governors be filed by the governors with the clerk of the committee for the information of the members of the committee.

Hon. Mr. LAWSON: Mr. Chairman, will you add to that, "and be made available to the members of the committee?"

The CHAIRMAN: Yes.

(The vote being taken, the chairman declared the motion lost, nine to two.)

Mr. DUPUIS: I understand that the meaning of this motion being voted down is not to the effect that any member of this committee will not be in a position to get particular details in connection with administration when it refers to a certain fact in that regard?

The CHAIRMAN: I think the members of the committee are at liberty to ask any questions they wish of Mr. Brockington who is now on the stand.

Mr. DUPUIS: I am afraid the public will interpret this vote as a decision of the committee against what Mr. Lawson called a British principle and which I would call a Canadian principle. I know very well that among the general public opinions are expressed to the effect that there are in this country too many commissions which are outside of parliamentary control. The policy of instituting commissions is not confined to this government but to previous governments as well. I think it would be a good thing for us to be enlightened as to why this parliament has instituted commissions whose administration is not at the disposal of the members of parliament. I can recall many cases in the previous administration, as in this administration, when members of parliament have put questions in the house and the answer was that it was not in the public interest to divulge such information.

As far as I am concerned, I cannot reconcile my idea of liberty with this policy of keeping outside of the knowledge of this parliament certain information which the representatives of the people are entitled to know.

I understand, Mr. Chairman, that you decided that this information could not be granted because of a precedent in the railway committee?

The CHAIRMAN: May I interrupt, Mr. Dupuis? I did not decide it; the committee decided what action we should take.

Mr. DUPUIS: Yes, but you said it should be done that way because it is done that way in some other committee. Mind you, Mr. Chairman, I am not criticizing the decision on this motion. I voted against it because of some serious reasons that might be against the interests of the Canadian Broadcasting Corporation and because of knowledge that might be thrown to the public and taken advantage of by private corporations. But as to general policy, I think that more details and more information should be granted to the members of parliament.

Hon. Mr. HOWE: Mr. Chairman, I may say that we have certain bodies set up by parliament to administer competitive businesses. There are two kinds. There are certain of them that are independent of parliament, and certain others that are under the direction of the minister. The minister or the government is entitled to any document or any answer that he may wish concerning any business that is under the direction of a minister or any section of the government. But the hon. member, I think, was a member of the committee last year which set up the Canadian Broadcasting Corporation as a commission independent of parliament. I have no right, as minister in charge of the Department of Transport, at the moment to direct this corporation to do anything. We set it up that way and, having done so, we must abide by the consequences. If we had decided at that time to make this corporation a part of the government of the day, we would have been entitled to this information, but we did it the other way, as we did in the case of the Canadian National Railways. I think there is a sound principle behind it, that is, that parliament cannot run a competitive business successfully due to the fact that its business competitors have too great an advantage over governmental institutions provided that everything that is done in a business way is a matter of general information.

However, the purpose of this committee is to bring the officers here to answer any definite questions that any member of parliament may have. And I think you will find, if you ask a definite question, you will get a definite reply. I think that is the purpose for which the officers of the corporation have come here, and I think you will find as the committee progresses that there is no desire on the part of the management to hold back the answer to any question that may be asked. But simply to ask for a mass of documents to be laid on the table and go through them, as on a fishing expedition, to find something that might cause a little political capital of some kind, is hardly the purpose for which we were called. The officers are here to give proper information about any subject that may concern any member of the committee.

Hon. Mr. LAWSON: May I make clear that I did not ask for a mass of documents; I asked for one specific written record of the policy of the radio broadcasting corporation. And I shall take the proper occasion to reply to the minister's allegation that I did it for political purposes.

The CHAIRMAN: Gentlemen, I think we had better get down to business. We have Mr. Brockington here. We have disposed of the motion of Mr. Lawson, and Mr. Brockington has given us a résumé of the operations of the Canadian Broadcasting Corporation, and I think it is now up to the members to ask any questions of him that they may desire to ask.

By Mr. Turgeon:

Q. I would like to ask a question arising from Mr. Brockington's statement. In giving certain percentages of coverage, you mentioned good service districts?—A. Yes.

Q. What do you mean by good service districts?—A. I can read the memorandum. I think I put it in the evidence. But primary service means that you shall have listening during all periods of the day and night. That is what primary service means in good service districts.

Mr. HAMILTON: I should like to thank Mr. Brockington for the very interesting talk he has given the committee and emphasize what he mentioned: the need of safeguarding where there are network stations, private stations and the utilizing of C.B.C. programs, to see to it that they do give a fair service on these C.B.C. programs. He has mentioned Sault Ste. Marie, which is my home town, and if a private station there takes C.B.C. programs, as I expect they will from what he says, I am also anxious to safeguard the securing of real service with reference to C.B.C. programs. I do not know just what the

[Mr. Leonard W. Brockington.]

regulations and rules are, but I commend them for having that in mind and in trying to take the necessary steps to avoid these stations that get the benefit of C.B.C. programs, the private stations, picking and choosing and leaving the public out of consideration when commercial interests serve their purpose.

THE WITNESS: When a station becomes a basic station, as we shall try to make Sault Ste. Marie, any arrangement will be subject to it taking a minimum of programs, and you can take it from me that we will endeavour to make that minimum as high as possible, because we are anxious, of course, to have programs released, and I imagine the citizens are also anxious to hear them. At the moment, I am not able to tell you what the terms of any such agreement will be, but you may rest assured that no extension will be made to any private station of that type except on the definite understanding that there will be as much released as possible of our better programs in your neighbourhood.

By Mr. Johnston:

Q. Is it not understood that any station which takes programs at all from the C.B.C. must take them all or nothing?—**A.** No. You could not expect a private station, which relies upon commercials for its revenue, to take 14 hours a day. The amounts vary with arrangements that are made for basic stations. A large number of programs are made available to stations which are not on our basic network, but they are taking the programs which are not a matter of contract. I suggest to the gentlemen who are anxious to get particulars of that, that I will be followed by Mr. Murray, who will be in a better position to give you exact information. I have not all the figures and contracts and terms of stations, but I am sure he has and that he will be able to answer those questions in greater detail than I can answer them.

Q. I mean a basic station?—**A.** No, no, the basic station does not take 14 hours a day. Some take three, six, and some take four. I could not tell you what the periods are. Perhaps you do not understand. The basic station is the private station which makes an arrangement with us. The conditions with respect to our own separate stations vary to some extent, but in the main we try to give, as far as can be done, complete service from one or more outlets in that district in which we own stations ourselves.

By Mr. Bertrand:

Q. You told us in the West last Saturday, when Carmen was on the air, that some private station was cutting in in the middle of the act. How could they do that?—**A.** I do not know how they did it. As a matter of fact, it is a matter for investigation. I had a letter from a clergyman who complained about that. It is a matter I have already referred to Mr. Murray. They interrupted one of the ballet stars in Carmen with an advertisement from one of these permanent wave programs. However, I do not think that is a common thing. As a matter of fact, I was rather surprised to hear that on that particular opera there was not a more complete presentation. I think it was broadcast completely from Winnipeg. The station in Calgary is always asked to take it and does take it, but the service was not good at that time.

MR. BARBER: Mr. Chairman, I am sure we all appreciate very much the remarks of the chairman of the board of governors. There are, I expect, a number of others who would like to seek some general information. We are not looking for information concerning our own districts particularly. It is now 1 o'clock, and I know a number have been unable to be here to-day because there were two other important committees sitting. I think it would be well to adjourn now.

MR. BERTRAND: Could we not sit this afternoon?

The CHAIRMAN: We have no power yet to sit in the afternoon, but we can get that if you wish it. Is it the wish of the committee that we should meet to-morrow at 11 o'clock?

Mr. JOHNSTON: Yes.

The CHAIRMAN: Then we shall meet in room 497 to-morrow at 11 o'clock.

At 1.05 p.m., the committee adjourned until Friday, March 25, 1938, at 11 o'clock.

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*Canada. Radio Broadcasting, Standing
Committee*

SESSION 1938

HOUSE OF COMMONS

STANDING COMMITTEE

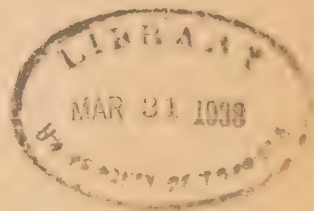
ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

FRIDAY, MARCH 25, 1938



WITNESS:

Mr. Leonard W. Brockington, K.C., Chairman Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1938

MINUTES OF PROCEEDINGS

FRIDAY, March 25, 1938.

The Standing Committee on Radio Broadcasting met this day at 11 a.m.

The Chairman, Mr. A. L. Beaubien, presided.

Members Present: Messrs. Ahearn, Barber, Beaubien, Bertrand (*Laurier*), Dupuis, Edwards, Hamilton, Isnor, Lawson, MacKenzie (*Neepeawa*), MacMillan, Martin, Turgeon. (13)

In Attendance: Mr. Leonard W. Brockington, K.C., Winnipeg (Chairman), Mrs. Nellie McClung, Victoria, B.C.; Captain the Rev. Alexander Vachon, Quebec; Canon Fuller, Campbellton, N.B.; Allan Plaunt, Ottawa; Brig.-Gen. Victor W. Odium, Vancouver, B.C.; the Board of Governors of the Canadian Broadcasting Corporation and Mr. W. E. Gladstone Murray, (General Manager of the C.B.C.); and Mr. Donald Manson (Chief Executive Assistant, C.B.C.).

Mr. Leonard W. Brockington, K.C. recalled and examination continued.

The Chairman informed the Committee that Mr. Brockington, Chairman of the Canadian Broadcasting Corporation, and Mr. Rene Morin, Vice-Chairman, would be in attendance during the sittings of the Committee but that the other members of the Board of Governors would like to leave for their homes if the Committee agreed. The Committee agreed.

The Committee then adjourned to meet again at 11 a.m. on Tuesday, March 29th.

WALTER HILL
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 497,

March 25, 1938.

The select special committee on radio broadcasting met at 11 a.m., the chairman, A. L. Beaubien, presiding.

The CHAIRMAN: Gentlemen, we have a quorum and, if you will come to order, we will proceed. Is it the intention of the committee to ask questions of Mr. Brockington? I think it was understood yesterday that Mr. Barber wanted to ask some questions; am I right, Mr. Barber?

Mr. BARBER: There was a question concerning revenue which I should like to ask Mr. Brockington, Mr. Chairman.

L. W. BROCKINGTON, K.C., recalled.

By Mr. Barber:

Q. I think, Mr. Chairman, it is understood that the revenues from licences have not been sufficient to carry on the program which the board of governors had in mind in establishing new stations; therefore it has been necessary to have money loaned by the government. The question has been put to me on several occasions in regard to the collection of licences. There is a certain percentage, at least, that has not been collected. Then also comes the costs of collection. Suppose the licences were paid one hundred per cent, and the costs of collection were somewhat reduced, it would leave the financial picture in a great deal better light than it is to-day?—A. Is that a question you are asking me?

Q. Yes.—A. I may say that, in the first, the Canadian Broadcasting Corporation has nothing whatever to do with the collection of licences, nor do we collect them. That is a matter for the Department of Transport. With reference to the costs of collection they may be somewhat high, but certainly the amount involved is so small that it would not make much material difference to our revenue. With reference to the percentage uncollected, we have no information as to the percentage not collected, nor has anybody else as far as I know. The presumption is, in the main, that all licences are collected. It is possible, although I have no personal information at all, that in some districts which are hard pressed by drought, and so on, there may not be the same pressure brought to bear that there is on others. But we have no information at all as to any percentage.

I have heard general statements, as you have, that some licences are not collected, but it is impossible to say how many; nor do I imagine for a moment that if we got the revenue from an unestimated and unestimatable number of uncollected licences we would still be able to finance our program. I have no information along those lines.

Q. I thought you had some information, because there have been certain reports, I think, in the press, also from other sources, that the total number in the districts have not been contributing their licence fee. You can easily understand that once a man pays his licence fee it is easy to follow him up, but with those who have never paid their licence fee, of course, there is some difficulty.—A. Well, obviously, that information cannot be obtained from me and I do not know if it can be obtained from the Department of Transport.

Q. In connection with loans obtained from the government, is it the policy

of the commission or the corporation to set aside a certain amount each year to meet the interest on these loans?—A. We have set aside sufficient for the monies advanced up to the present time. I think our first repayment begins this year on monies advanced by the government, we retire advances I think over a period of ten years, with interest, if I remember rightly, at the rate of three per cent per annum. Is it three per cent, Mr. Murray?

Mr. MURRAY: Three and a half per cent.

The WITNESS: Three and a half per cent. We do not intend for one minute not to repay that money.

By Mr. Hamilton:

Q. Does the C.B.C. accept commercial advertising in Canada?—A. Yes, sir.

Q. The source of the advertising being in Canada?—A. Yes.

Q. That is apart from the programs you are bringing in from the United States?—A. Yes. Mr. Murray will give you the exact figures of Canadian advertising that we accept. We accept it, as you know, up to the limit we have set; but it has always been the practice, from the days of the old radio commission right through, to accept a certain amount of advertising.

Q. Mr. Murray will give us information regarding that?—A. He will give you the exact figures, sir.

By Mr. Bertrand:

Q. Mr. Brockington, when you decided to accept advertising, have any representations been made to you by newspaper men in that connection?—A. Do you mean—

Q. I mean, did any newspaper men see you and make representation as to whether you should accept commercial advertising or not?—A. You mean see me personally?

Q. You or the board?—A. I do not recall any, no, but I have met a number of newspaper men in the course of the last fifteen months since I have been in office who have talked to me about radio, on trains, in my office and elsewhere; and I have no doubt that during those conversations they have put their views about advertising before me. But there has been no formal presentation made to the Canadian Broadcasting Corporation as far as I know.

Q. Was there a suggestion made by newspaper men that the licence fee, instead of being \$2.50, should be \$3, and that you would not take any commercial advertising?—A. Not to me. As I say, there may have been an individual newspaper man in conversation with me over the last fifteen months who may have said that, but I have received no formal representation from any group as to that.

Q. My information was that a group of newspaper men had made that representation to the board?—A. Not to the board, no sir.

Q. Would you mind telling us what your remuneration was this year?—A. Remuneration?

Q. Yes?—A. My own?

Q. Yes?—A. I am paid an honorarium of \$1,500 a year.

Q. What about the other directors?—A. The other directors are paid \$50 a meeting up to a maximum of \$500 per annum. In addition it is provided that if we set up an executive committee, the members shall be paid \$1,000 each. But we have not felt it necessary to set up that committee, and no such payments have been made.

Q. Would you tell us what proportion of time it takes?—A. For me?

Q. Yes, for the work that you did?—A. Well, sir, I think it is perhaps true of us all that it has taken us a very great deal of time, and I may say in some instance a considerable sum of money. I do not want to answer that question, as to my own time because if I do, I think my employers may

[Mr. Leonard W. Brockington.]

want to revise their opinion as to the advisability of my serving. But I can tell you I have given very many hours. I have had to come to Ottawa on a number of occasions, and I have had to come back to my office on many nights in most weeks.

Mr. BERTRAND: Mr. Chairman, the idea is that this commission to-day is administered by these gentlemen and that the salary or the indemnity that they receive is absolutely inadequate. It may be that it is a good thing to ask for public-spirited men to take charge of such a corporation, but they should be remunerated as the directors of any other corporation are remunerated.

The WITNESS: May I say at this juncture that there is absolutely no complaint from any member of this board; and I think I can put it this way for the most of them at least, that if the remuneration were anything other than nominal, none of us would accept the position. We are quite happy to give what service we can, either with the little remuneration that we get by way of honorarium or without any at all.

Mr. BERTRAND: That is all right. It does you honour.

The WITNESS: I do not want it.

Mr. BERTRAND: But I think in principle it is very bad. In certain instances, in some other commission, the fact that the remuneration is nominal may impede some very good men from taking the position. I know that as far as I am concerned, I would be ready to make a recommendation that these gentlemen be treated like the directors of any other corporation of its size. If they have this fine public spirit, they can always take their cheque at the end of the year and give it to any hospital they choose, or even buy a sweepstake ticket later on, if they like.

The CHAIRMAN: Are there any other questions, gentlemen?

Hon. Mr. LAWSON: I should like to ask Mr. Brockington some questions, Mr. Chairman.

By Hon. Mr. Lawson:

Q. Mr. Brockington, the original scheme for the nationalization of the air as recommended by the Aird Commission, as I understand it, was the construction of seven 50-kilowatt stations in key positions across Canada; and then the construction, in addition to that, of a number of feeder stations—is that what you call them?—or supplementary lower power stations. Has that plan been revised in any way by the present Canadian Broadcasting Corporation or is your policy to carry out that original Aird plan?—A. Well, I imagine that as far as carrying out of the original Aird plan is concerned, that may be too extensive for present prospects; but our policy, briefly, is this: we feel that it is essential in the interests of national broadcasting that the high power facilities across the dominion should be retained by the state. We are not at the present time contemplating the construction of any more high power stations than the ones that have been indicated. We have already constructed one, as you know, in Quebec, one in Montreal and we propose to construct one in the Maritimes and one in the prairies.

Q. I was thinking in terms, Mr. Brockington—

The CHAIRMAN: I think I should correct Mr. Brockington, in order to have the record straight. You have constructed one in Quebec and one in Ontario. You said one in Quebec and one in Montreal, Mr. Brockington.

The WITNESS: I beg your pardon.

By Hon. Mr. Lawson:

Q. The one you referred to is the one at Vercheres?—A. That is correct.

Q. I was thinking in terms of long term policy rather than in terms of what the board contemplates for the moment. Has there been any consideration

by the board of governors of a long term policy for the construction of these seven high power stations and a number of lower power feeder stations?—A. Well, I think perhaps you might say that something of that kind is before us as the ultimate ideal for national broadcasting in Canada, yes.

Q. Has it gotten to the point where your body are prepared to give their present views as to the number of stations to be constructed and the approximate cost of the construction?—A. No, sir. I do not think we are able to give our views on either the cost or the ultimate number at the moment. We feel there will be such a great improvement, with the construction that we have actually planned, that any further development, apart from improvement in localities, can very well be deferred until we have a wealth of experience behind us.

Q. May I take that to mean, Mr. Brockington, that you anticipate that the improvement in listener service from the construction of these high power stations will be so great that it may enable the board to eliminate some of the feeders or lower power stations which were originally contemplated by the Aird report?—A. Yes. You understand, it is all projecting itself in the future.

Q. Quite right.—A. It must necessarily be empirical, based upon the experience that we may enjoy. I may say there are two things that are elements in it. One is the construction of the stations to which you refer and the other—a not much less important factor—the elimination of foreign interference which will result from the implementing of the terms of the conference recently consummated at Havana.

Q. In making a study of this radio situation, I am trying to find out for my own satisfaction what will be the ultimate cost, or the estimated ultimate cost to the taxpayers of Canada. That is why I was asking if your board had any engineering reports, estimates or anything of that kind, on the ultimate cost of the construction of the entire plan for a national chain outlined by the original Aird report. You see, they gave us an estimate of the cost; and, of course, it is now years old?—A. Yes, perhaps you might allow me to refresh my memory, and I will ask Mr. Murray whether we have such a report. My present memory is that we have no report on that, beyond the construction that we ourselves have determined will make such considerable improvement in the listening conditions in Canada. If there is such another survey report on costs, then I will present it to you.

Q. Thank you a lot. That is, you will or Mr. Murray will later?—A. Yes.

Q. Yesterday in making your presentation to the committee you made a statement that I did not quite grasp. It was that three quarters of the United States was not either adequately or primarily covered by radio at the present time. Would you be good enough to elucidate that?—A. That is not what I said. I said that I had read an address by a gentleman, I think called Irwin, the late chairman of—what is the correct title?—the Federal Communications Bureau in the United States, delivered in April, 1937, in which he said at that time—

Q. Oh.—A. That is April, 1937.

Q. I thought you said 1913?—A. No; April, 1937.

Q. I see.—A. At that time three-quarters of the listeners in the United States had not got primary service; and he pointed out that as a result of the inevitable concentration by private interests of their facilities within areas of high population and potentially high revenue. There were thirty stations at that time in the city of New York and nineteen in each of Chicago and Los Angeles.

Q. Would you be good enough to point out to me what you mean by primary coverage?—A. Primary coverage, as I understand it, is good service during both day and night.

[Mr. Leonard W. Brockington.]

Q. That would be for, say, fourteen, fifteen, sixteen hours of broadcasting?
—A. Whatever the time may be, yes.

Q. In connection with that, you said that Ontario, as I understood it, was now a good service area or a primary service area. Did I interpret that correctly?—A. For the percentage that I gave.

Q. I presume that the reason it is now a good service area is because of the construction of the 50-kilowatt broadcasting transmitters?—A. That has made a great addition to it.

Q. At the Hornby station?—A. Yes. I was referring also, I think, to coverage for national programs as well at the time I gave you the percentages. That will be in the committee report.

Q. I remember the percentages.—A. I must admit—

Q. I was trying to get at an understanding of the idea you were trying to convey.—A. Those surveys were made by our engineers. I must admit I was very much astonished at the first figure in Ontario. But I referred, of course, to the broadcasting of the national service. The first percentage was about 26 per cent, as I stated, as of November, 1936.

Q. In other words, your statement did not mean that the area was not receiving primary coverage from private stations for any programs. It meant coverage of the national programs?—A. The C.B.C. network.

Q. Oh, yes. Then you made a statement, Mr. Brockington, in connection with which I should like some further information. You said that private stations could not live without our programs. Was that confined to the private stations that are on your network or to all private stations?—A. I think, if I remember rightly, I said with the exception of private stations in some of the well-populated areas. I mean, it is impossible for private stations in small towns to get sustaining programs without us, for their local talent is limited. I think it has been evidenced by the wants of the last eighteen months, in any event, that there is a tremendous demand for our programs from private stations during the periods when they wish to give their listeners sustaining entertainment. I did not suggest for a moment—and I think I made special exceptions—that the big private stations in Toronto, Montreal maybe Windsor with its proximity to the United States, were in that position. I think I made that clear.

Q. In other words, Mr. Brockington, do I understand you correctly that what you meant was that private stations, if they had to be supported by a purely commercial basis from commercial,—A. Yes.

Q. —would not exist in sparsely settled areas?—A. Yes. I would go further than that and say that in connection with radio in Canada, to some extent up to the present time, and certainly prior to recent experience, there was a dedication of some \$2,000,000 of public money to building sustaining programs and private profits by exactly the same operation.

Q. Would it be possible for you or some of your staff—I do not mean right now but at some further sitting of the committee—to let me have a list, or let the committee have a list of the private stations now on the C.B.C. broadcasting chain?—A. Yes.

Q. Which in the opinion of the C.B.C. could not exist without the programs and payments of the C.B.C.?—A. Payments of the C.B.C.?

Q. Yes, I understood that. No, excuse me. You do not pay them for carrying your sustaining programs. I should say a list of those which could not exist without your feeding them sustaining programs?—A. I doubt whether that information can be given because it must be only a matter of opinion. But I do not think you want to restrict it only to those which are on our basic network. I think a large number of stations not on our basic network obtain programs from the C.B.C. We are always getting requests by stations not on the network for programs, and my own point of view on this is that we should afford as many stations as possible sustaining programs. I do not believe in restricting this service.

Q. Quite so; but for the calculation I wish to make ultimately, and the thought I have running in my mind, I would like to ascertain the number of private stations now on the C.B.C. basic network. I will get for myself the information in respect to the others.—A. Quite so. Mr. Keddie will make a note of that.

Mr. TURGEON: Do I understand Mr. Lawson's question to be this, that the Broadcasting Corporation will officially give information that certain stations could not live without the help of the Canadian Broadcasting Corporation?

The WITNESS: No, that is not what Mr. Lawson wanted to know.

Mr. TURGEON: If that information is given by the Canadian Broadcasting Corporation to the committee and carried by the newspapers as the opinion of the Canadian Broadcasting Corporation that such-and-such a station could not live without these programs, I do not think it is the proper thing to do.

The WITNESS: I have said my answer to Mr. Lawson is this: that would obviously be a matter of opinion, which could not be given by anybody.

Mr. TURGEON: That is a different thing.

By Hon. Mr. Lawson:

Q. So that we may get it clear, Mr. Brockington, you are a witness here.—A. Yes.

Q. By reason of your position?—A. Yes.

Q. As Chairman of the Canadian Broadcasting Corporation your opinions carry considerable weight. You expressed an opinion that certain private stations in Canada could not live without the C.B.C. sustaining programs. Now, I want to follow that opinion up a little bit because opinions may differ. What I am asking you to do is, if you will, give me a list of the private stations on the C.B.C. network at present which could not live if the C.B.C. did not provide them with sustaining programs. Have I made my question clear?—A. Yes.

Mr. DUPUIS: Before the witness answers I should like to know where the hon. member obtained that information. Where did the hon. member get that opinion of the Chairman? Is it recorded in last year's evidence?

Hon. Mr. LAWSON: He said it yesterday.

Mr. DUPUIS: We have not got the report yet.

Hon. Mr. LAWSON: I took a note of it as I went along yesterday. There is no dispute about that. Mr. Brockington and I are in agreement on that.

The WITNESS: You draw my attention to a statement I made. Perhaps you might allow me to do this. When I see the committee report and examine the statement that I made, if I wish to modify it I should be allowed to modify it; then, if the modification of my language is such that it still leaves the inference which you draw from my remarks. I will consider the possibility of giving you the detailed information along the lines that you suggest. Is that fair?

Hon. Mr. LAWSON: Yes.

Mr. ISNOR: I want to speak on that particular question. I am inclined to favour somewhat the thought that Mr. Turgeon has in mind. I doubt very much whether it is in the interests of the privately owned companies to give that information, and I will state my reason why. We have in all portions of Canada privately owned companies who are struggling along, endeavouring to get a certain amount of advertising which will assist them to make a proper showing financially. If this information came out, that they were being sustained by the programs being furnished by the C.B.C., it is just possible that they will not continue to receive these sustaining programs. The question naturally in the minds of those who are financing or supporting the financing of these companies may place the company in a very embarrassing position.

[Mr. Leonard W. Brockington.]

The WITNESS: I am glad you raised that point, sir. The inference to be taken from my remarks is nothing of that kind. The inference to be taken from my remarks is this: that broadcasting hours cover a certain period per day; that it is essential as a part of good broadcasting that there will be sustaining programs during a number of hours; that it is absolutely impossible for private stations with limited resources in areas where talent is limited to make any such contribution to sustaining programs as we make for them, and that eventually without good sustaining programs and talent to retain their listeners they could not continue to function. That is what I mean.

Mr. BERTRAND: Even in Montreal there are private stations that would like to have sustaining programs.

Mr. EDWARDS: That is well understood by everybody.

The WITNESS: I would think so, sir.

Mr. TURGEON: I do not object to the Chairman of the Broadcasting Corporation—in fact I encourage—making a general statement of that nature, so that the members of the committee will have a clear idea of not only what the Broadcasting Corporation is doing, but the effect of the Corporation's actions upon radio generally in the country. But I do not think that we ought to encourage the Broadcasting Corporation, which is set up after all, more or less as an agency of government, to make statements to the effect that a certain number of privately operated companies could not continue in operation without the co-operation of the Broadcasting Corporation. I think it is going too far for us even to encourage that here. I certainly want to make that clear, because the same thing may come up on other questions. I am not taking any objection to general information which we should have properly to consider the questions before us. I am not objecting to the newspapers having general statements of that kind; I am objecting to the particular one that certain private corporations could not carry on without assistance from the Broadcasting Corporation. I am objecting to having this committee of parliament the medium of forcing an expression of that nature from the Corporation; that is all.

Hon. Mr. LAWSON: It is an amazing statement to make that a committee appointed by parliament to inquire into certain matters can accept a general statement and cannot get a specific answer to a question. It is the most amazing principle I have ever heard.

Mr. DUPUIS: It is very amazing to me to see the hon. member from Toronto trying to—

Hon. Mr. LAWSON: I do not represent Toronto.

Mr. DUPUIS: It is very near. It is always amazing to me to find the hon. member trying to find fault at all times.

Mr. HAMILTON: Mr. Chairman, I should like to make a remark, and that is this: It seems to me it would be unfair to give as a matter of opinion something affecting private stations, purely as a matter of opinion, without any facts, and then sending that out to the Dominion of Canada without any details, and without giving that group or body the opportunity to try to refute the statement.

Hon. Mr. LAWSON: May I ask my hon. friend this? Does he think it is fair for a general statement to go out through Canada that the private stations could not exist without the help of the Canadian Broadcasting Corporation?

Mr. HAMILTON: I think it would be unfair to designate any one station or group of stations by name, and let that statement go out through Canada. While I am on my feet may I say this: in connection with this matter I am anxious to get some information in regard to it. The reason I asked the question with reference to political broadcasting is that I am interested in it. I think it is only fair to realize that the C.B.C. is competing to some extent with private enterprise, and to some extent possibly subsidizing private stations through

commercial advertising. I want to ask the Chairman if it is the intention, as part of the policy, eventually if possible and when conditions permit, to get away from commercial advertising and eliminate it from the C.B.C. programs. I am not suggesting that that would take place in the immediate or near future, but the ultimate long-range policy is what I am referring to. Is it the intention to increase commercial advertising or to decrease it?

The WITNESS: All I can say to that, sir, is to repeat what I said yesterday and on other occasions, and what I think the minister stated in the House, and that is this: As far as the C.B.C. is concerned we recognize the paradox of our present position, but we are obliged to take some commercial advertising for the purpose of building up our revenues in the hope that eventually commercialism will be totally eliminated from the Canadian Broadcasting Corporation. We have set ourselves a maximum of \$500,000, because we feel we should not go any further, and that will at least meet our present needs and allow us to build up our revenues eventually from the national growth of radio in this country. My answer therefore is this: we look upon the elimination of commercial advertising from the C.B.C. certainly as part of our ultimate policy.

By Mr. Bertrand:

Q. Mr. Brockington, would it not be better to lease the channels to the private stations at a fair price? They are using to-day the air, which is the property of the people of the country. Would it be possible to lease them, and by means of a reasonable licence fee permit the private stations to function and in that way get rid of commercial advertising? That would give a chance to the private stations to take any advertising that they wish, without being in competition with you.—A. At the moment, sir, all the networks are controlled by us. We propose to keep these networks and the time available for us. I am afraid I do not quite understand your question. If I do I am not in a position at the moment to answer it. Is it your suggestion that we should encourage private stations to go in for network advertising?

Q. Yes.

Mr. DUPUIS: There is a regulation—

By Mr. Bertrand:

Q. Private stations are not paying for their advertising on the air, and are not paying for the air.—A. In my opinion they are certainly not paying anything like enough.

Q. Would it not be a good thing for the corporation to increase what they are paying, if they are paying anything, and to compensate for the loss of advertising by the fees that you could get from private stations?—A. That would depend on a survey. We would have to know something about the earnings of private stations, what they were doing; and obviously a big station in Toronto and a small station in Chilliwack are so different that I am unable to speak as to the condition at the moment.

Mr. EDWARDS: I am not one of those who is so fussy about having commercial advertising on the air. It seems to me you have an alternative. On the one hand you have people who think there should be a limited amount of advertising to sustain your programs; otherwise you must get your money from some other sources, either by subsidy from the government or by increasing the licence fees on the radio. Now, what real good argument is there against a certain amount of commercial advertising on the programs? That is what I should like to know.—A. At the present time I should say there was none; and I would also point this out to you; we had to maintain a balance between advertising and entertainment, and nobody can deny that the general advertis-

[Mr. Leonard W. Brockington.]

ing programs that are put over the Canadian air in the main reach a very high standard of entertainment and are particularly acceptable to that portion of our citizens who do not live in the great centres where that type of program has been regularly available.

Q. We are listening to these high class programs from the United States, and every one of them bring in a certain amount of advertising.—A. Quite so.

Q. They are sustained by the advertising?—A. Yes.

Q. I do not know why we should object—mind you, not a lot of advertising—to a limited amount.—A. No.

Q. I do not see how you are going to get away from that at all unless you charge a very large amount or are subsidized by the government.—A. Or unless by the national and natural growth of Canada we can get enough revenue sufficient to take care of the development we require.

Mr. HAMILTON: I am not objecting at all to the C.B.C. taking commercial advertising; I am simply trying to find the policy of the Corporation, because I do think there is a point where there is a balance as between fair play to other people engaged in private enterprise in the advertising game and the fully owned and controlled body going into that field. I am not objecting to that at all; but I am interested in finding where the dividing line is.—A. The point, as you say, is between what you call "fair play to other people." I may say that as far as the Canadian Broadcasting Corporation is concerned, it does not consider the interest of anybody other than the listeners. But I consider on the point of fair play, that a compromise position, a reasonable position of the Canadian Broadcasting Corporation is that it is better to have some advertising than the abandonment of radio completely to commercial chains; and I think it is generally recognized by some people who opposed our policy at the beginning that the alternative may be so disastrous to them that their opposition has been to some extent, mitigated.

In answering the question so kindly and so courteously put by Mr. Edwards, we would feel that it would be absolutely foolish at the present time not to take advantage of some of the programs that you mention. I have not the slightest doubt about that. In any event with the Canadian listener field dominated by powerful stations from the south I do not think you could keep Canada free from programs of that type. There are plenty of people who listen to these programs, particularly poor people, who appreciate that it was necessary for the benefit of our listening audience, especially to afford people in isolated places and poor people an opportunity to have these programs. They are the first to recognize that it is only fair that we should get some revenue for programs to enable us to make broadcasting in Canada more effective. May I say that in my opinion radio waves are the truest of all internationalists. Recognizing all these facts why should we not take advantage of that situation to assist us in building up Canadian facilities? And I do want to emphasize again what I said yesterday, that it is sometimes forgotten that every cent that is taken by the Canadian Broadcasting Corporation is used for the building up of something for the benefit of the Canadian listener. It does not go into the profits of shareholders. It does not go to build up private operators' profits. It is held in trust for the people of Canada; and I think we would be false to that trust if we did not recognize the realities of the position and do exactly what we have done.

By Mr. Dupuis:

Q. If I understand your very interesting remarks, do they mean that you derive revenue out of advertising which comes from the United States?—A. Certainly, we do.

Q. You do?—A. Yes, we do.

Q. I think it is important for the Canadian people at large to clear up certain criticisms which are quite generally heard with respect to the type of program coming into Canada?—A. Yes, sir.

Q. You are conversant with the fact that newspapers and the public in general have been critical of the Canadian Broadcasting Corporation for allowing these American programs to come in?—A. May I answer that? My answer is this; that if radio in Canada had not been nationalized the great American chains would have dominated Canada. If to-morrow the C.B.C. ceased to exist every private station in Canada I think without exception would be delighted to be the member of an American chain. That is No. 1. Secondly, with regard to the criticism about American programs, I think I disposed of that in the facts I gave. Briefly, the fact is this, those programs originate in the large centres in the United States of America. They originate in places like Hollywood and places like New York, because those are the places where talent is concentrated. But the goods which are advertised are either made or distributed in Canada. The advertisers employ (I think the figures I gave were some 9,500) Canadians in the manufacture and distribution of goods advertised. Now, as to the programs themselves; I know there are some people who have some prejudice against things American. I think one of the great functions of radio is to build up goodwill between the peoples of the British Commonwealth, of Canada and the United States. That is a trite observation. It is often made. Radio can do that. Our people belong, as I said before, to the North American civilization.

Now, with respect to the nature of the programs: I recall that one night when discussion and criticism were at their height, I listened to the Lux Theatre Hour program. It was a performance of Disraeli by George Arliss with a cast of English artists advertising Lux made originally by Lever Brothers at Port Sunlight, England, and manufactured and distributed in Canada by a company of British origin employing over one thousand Canadians on their staff. As I then said, if that is an American program then I am a Hottentot.

Q. As I understand the objection of those who make this criticism it is due to the fact that they claim that these programs will have the result of Americanizing our population. And you, I am just trying to play the devil's role in this investigation and clear it up.—A. A sort of "advocatus diaboli" as it were.

Q. Yes. So far as I am concerned there is nothing I like better than these American programs on Saturday afternoon coming from the Metropolitan opera. It is good music, and there are good programs coming from other sources; but, as I understand it, there is control through the C.B.C. as to speakers coming from the United States. Is that so, or not? Are you bound to allow anything at all that comes from the American companies?—A. Obviously, we cannot control what comes from the American stations in these broadcasts at all. We may on occasion have carried certain speeches originating in the United States. However that may be, it is still possible for any of our people to tune in to an American station if they wish to listen to a speech. As I have already said, these radio waves are the truest of all internationalists, nothing can stop them from crossing the border. So far as I know the only way you could hope to stop that sort of thing would be to try to do what they are doing in Germany.

Q. As I said before, you facilitate the reception of these American programs through the C.B.C.?—A. Only those programs which we desire to take.

Q. That is fine. I remember one occasion last summer when there was a speech made, I think it came from Cincinnati, which was very offensive to a certain portion of our population and I thought that if it were possible at all it would be a good thing to keep that sort of thing out; but as you say, if we had reception strong enough, we could prevent that.—A. I might say that in Germany where radio, I imagine, is not only regimented but is looked upon by

[Mr. Leonard W. Brockington.]

Herr Hitler as one of the most important things in the land they could control that—their method of control is to restrict reception on specially constructed radio sets to German programs. That is not done in Canada. Nobody would want it.

Mr. DUPUIS: There is no dictatorship here.

The WITNESS: Not yet.

Mr. DUPUIS: Not officially.

Hon. Mr. LAWSON: Not admitted as such.

Mr. DUPUIS: I wonder if I might, within the scope of this investigation, ask if it is possible to have a change in the decision of your corporation as to the change in fees? I understand that starting from the first of April you are going to charge \$2.50. Now, I am not objecting personally about that increase—I think Mr. Martin says he is, but he is a poor fellow, so he will pay his own licence. What I am interested in is this, I think the corporation is willing and anxious to charge an equitable price, but in this change there would be not only the increase in the licence fee, there will also be a charge for each radio set used in each house and for a radio set in an automobile. Here is a point that I want to submit to your attention. As you know, in this cold country one uses his car sometimes only six months in the year and if he has a radio set in his automobile he is paying \$2.50 for the usage of that radio for six months. Don't you think it would be more equitable to charge less for radio sets in automobiles—for instance, say \$1 a year?—A. Well, sir, I suggest—

Hon. Mr. LAWSON: Should my friend not make his representations to the government because the Broadcasting Corporation does not set the radio licence fee, it is set by order-in-council.

The CHAIRMAN: As I understand it, Mr. Lawson, the increase in the licence fee which was approved by order-in-council is based on the recommendation of the Canadian Broadcasting Corporation to the department.

Mr. DUPUIS: That is it.

Hon. Mr. LAWSON: I am merely asking if they are prepared to advise?

Mr. DUPUIS: Yes.

Hon. Mr. LAWSON: Can advise.

Mr. DUPUIS: He understands. He is a good lawyer.

Hon. Mr. LAWSON: Thank you for the compliment.

Mr. DUPUIS: It would originate in the minds of the corporation, because they are authorized by law to administer radio affairs—am I in order, Mr. Chairman.

The CHAIRMAN: I think you are quite in order.

The WITNESS: With reference to the details of the increase in the licence fees, I was sure that you would ask me to express an opinion as to the reasons for the licence fee being increased. As I have already stated, it was essential for the Canadian Broadcasting Corporation to continue, to go on and expand its services to districts in Canada which needed them, and to districts in Canada from which there is very little by way of complaint on the part of the listener, to ask the government to supply them with more funds. The methods for securing more funds might be manifold, but there is only one we use, and that is one which we believe is the fairest thing to all concerned, an increase in the licence fee to take care of the increase in service. I am not aware that there was any particular objection when the licence fee was increased from \$1 to \$2 a few years ago. There was an agitation against that from particular interests, but it was not very general; it was confined largely to a certain locality for reasons which I shall tell you about in a moment. There are three ways, perhaps there are four ways in which we can get money. The first way is through an

increase in our commercial revenue, through bringing to our network a larger proportion of commercial broadcasting. We might throw our network wide open and in that way we might get some millions of dollars. The second method is through an annual grant from parliament. I do not need to suggest to the committee that there are a number of objections to both methods. I dealt with them yesterday. The first is obvious. I repeat the objections to the second method. In the first place it would be a matter which would be uncertain. It would throw Canadian broadcasting, as I said yesterday, into the throes of politics, subject it to the whims of politicians. It would handicap the independent position which was secured for the corporation when it was set up. At least, that is my view. In any event, that is a matter which is left to the government to decide. The other method is the method of indirect taxation; the taxation on radio tubes, and the taxation on various other things. I know nothing about that, nor have I any right to make any observations about it. But I did say this yesterday, that perhaps the radio licence fee is the only direct tax in Canada. I do not know about that, but I do point out that as far as the Canadian Broadcasting Corporation is concerned and as far as its listeners are concerned it is the most truthful tax, it is the most honest tax; because it tells the listener exactly what he is paying for this service. I know there are methods which can be devised by which the listener would be charged \$5 or \$6 a year by indirect methods. We have thought this arrangement the most honourable thing to make and we have made it. I recognize that conditions in large centres like Toronto, Montreal and Windsor are somewhat different, on account of the fact that there are large stations there and because of their proximity to large stations.

By Mr. Martin:

Q. What was that, Mr. Brockington?—A. I said, I recognize that conditions in larger cities like Toronto, Montreal and Windsor, are very much different from those in other parts of the country.

Mr. BERTRAND: Windsor is being set up as one of the large cities.

Mr. MARTIN: There is no doubt about that.

The WITNESS: These larger cities are much better served, they have large stations of their own and there are large stations at no great distance available to listeners at those points.

By Mr. Martin:

Q. You were going to tell us about how this tax was arrived at. There is no question about it being a truthful tax?—A. As far as we are concerned we want to be perfectly fair to our listeners. We feel that in this way we are being fair.

Mr. MARTIN: Undoubtedly, that is true. May I say this, as a friend of the present set up—we are all I think friends of the present basis of the Broadcasting Corporation—

The WITNESS: I feel sure they are all friends. I thank you for your friendship.

Hon. Mr. LAWSON: I think I might reserve my opinion on that until I get some of the facts about which I have been asking Mr. Brockington. I am not so sure at the present moment whether I am a friend or shall I say an enemy—

The WITNESS: Possibly at the moment a potential enemy convertible into a potential friend.

Hon. Mr. LAWSON: I would not say I am a potential enemy; I want to get some facts.

By Mr. Martin:

Q. Have you considered, Mr. Brockington,—because I am violently opposed to this fee, as you perhaps know, the increase as well as the method of collect-
[Mr. Leonard W. Brockington.]

ing—that while it might be the most truthful tax, it will have the effect in more areas than the western Ontario area of irritating and depopularizing the institution which you have done so much to improve? Also, was much consideration given by the directors to increasing your advertising, say, not to several millions, but to another five hundred thousand, or to an amount equivalent to the returns you have received? Also, was any recommendation made to the government as to the possibilities of further appropriation by parliament, because there is a strong section in parliament which feels that that is the way it should be done?—A. The recommendation made was the recommendation which I have indicated. Obviously, the question of commercial revenue has been discussed and debated, and we came to the conclusions which I have already given. With reference to the request that the government give us an annual grant, or additional grants, that request was not officially made by us to the government. I think I will not betray any confidence by saying that I believe on one occasion I did discuss that aspect with one or two of the ministers, although there has been no formal discussion with the government. You see, we may be wrong, but we feel we are operating a public utility, and we feel that the public utility, perhaps in the final analysis, will be strengthened, and our relation with our users will be strengthened, if they know exactly what they are paying and if the charge is levied directly on those who are using that utility. In other words, we do not propose to create in this country any mass of debt in connection with broadcasting to which the taxpayers may take legitimate objection, or which, accumulated over a period of years, will blacken the picture of national radio. We believe in paying our way as we go and levying whatever expenses are necessary for the improved service that we hope to give to those people who enjoy the service. And I do want to emphasize once again to you, as I know you do realize it, that it is going to be a very great pity if any districts in Canada which enjoy all the facilities, or many of them, of national broadcasting, should, by taking a narrow view of a dominion picture, which I tried to paint for you yesterday, prejudice the men and women with radios in lonely and isolated districts by not enabling them to enjoy the amenities that have so freely come in to those cities I have mentioned over the past few years. I do make that plea. We have operated absolutely as a unit; all our resolutions have been unanimous; there has been no racial, no eastern or western and no religious division amongst us; and we ask this committee, as Canadians, to try to look at the picture exactly as we do. We do not see any other alternative to the suggestion we have made at the present time.

Q. I do not disagree with anything you have said, and I am not trying to minimize the difficulties of the directors and the great job which you have done. But I would not be true to my convictions if I did not tell you that I feel that you have done nothing that could hurt more the principle of public ownership of radio in this country than by increasing the radio fee. Undoubtedly, there are areas in Canada where increased coverage is necessary; undoubtedly, certain portions of the country will stand to benefit by this increase in the radio fee; but I suggest to you that sufficient consideration could not have been taken of the whole picture, otherwise other methods would have been devised. It seems to me that some consideration—and this is not said without considerable discussion of the matter—might have been given to extending the field of advertising, say, for the next year or two, to an amount equivalent to the increase that will result as a result of the addition to the radio fee. I tell you, speaking now only for the western Ontario district—and, frankly, confining myself to that for the time being—the C.B.C. is not a popular institution. I have championed it from the beginning, as you know, and I hope that

what it has in mind will continue; but it is not a popular institution in that thickly settled area, not only because of the increase—it was unpopular for many reasons before—but this has tended to increase that unpopularity.

I might also say that it is unfortunate that more consideration was not given to the way in which the fee is collected. There can be no justification for the way in which this fee is collected.—A. While not in any sense endorsing your criticism, you realize, of course, that we do not collect the fees.

Q. I know you do not, but I think that if the directors were to suggest to the minister that there ought to be another method devised of collecting the fees, the minister might be receptive. I am absolutely opposed to the fee. I think it is a most dangerous and unfortunate irritant.

Mr. DUPUIS: Do you mean that there should be no fee at all?

Mr. MARTIN: If it has to be collected, I suggest there is only one proper agency to collect it, and that is the postal carrier, as is done in England, and on a much different basis than at present. I think it is unfortunate that any person should have to go from door to door to collect fees in an unprecedented manner, because it is unprecedented; there is no other tax collected in that way. I venture to suggest in conclusion that perhaps for reasons of which I am not aware there was reluctance on the part of the board of directors, realizing, as I am sure the board must realize, the unpopular method now employed of asking the administration, since this is a publicly owned chain, since it is serving as a unified factor in this country at a time when unified factors are required—that there was a reluctance, or perhaps I should say, a great apprehension about asking the administration to make an appropriation in the matter.

By Mr. Dupuis:

Q. How much increase in revenue do you expect from the increase in the licence fee?—A. I think we have estimated it between seven and eight hundred thousand dollars.

By Mr. Martin:

Q. That is a high figure?—A. That is a low figure.

Mr. MARTIN: The minister gave it as about five hundred thousand.

By Mr. Dupuis:

Q. Mr. Brockington, a minute ago I tried to make clear that there was something unjust in the general policy of increasing, not only the fees, but imposing the fees on more than one radio set, especially those used in cars. I think it is unjust to charge the same fee for radio sets in cars. You did not answer that. Now, before you answer, I would like to know if your corporation is open to conviction to change its decision or its recommendation to the minister?—A. You put me, sir, in a most awkward position in asking me to discuss the details of an imposition which finally is within the discretion of the Dominion government. I am prepared to say this: that I will be quite willing, of course, to listen to the opinions of members of this committee, and listen to them, I may say, with the greatest deference. I realize the truth of what Mr. Martin says with respect to his own district—but I would like to point out to him that we are not concerned with popularity, we are concerned with doing our duty. I would also suggest to him that the popularity of the C.B.C. is far more extensive in other districts which are not as well served as western Ontario. I feel quite sure that in the western provinces, and I believe in the maritimes, our position with regard to the lonely listener is completely understood and that the aspirations of the C.B.C. are perhaps a little better appreciated than they are in those other districts.

[Mr. Leonard W. Brockington.]

With reference to the suggestion as to some modification in the licence fee, let me say this: that after listening to the observations of members of this committee, and particularly your observations, Mr. Dupuis, I am perfectly willing to discuss with the minister, if he will listen to me, any possibilities in modification which will not, in the main, affect the object before us but will tend to relieve some public irritation with reference to that matter.

Q. Mr. Brockington, I understand you imposed that increase in licence fees because you did not want to burden your corporation or the department with a large debt?—A. In fact, we are never going to run into debt, as far as this board of governors is concerned.

Q. Let us suppose that while not agreeable we would readily suffer an increase in the licence fees—A. Yes.

Q. —for the purpose that you have in view, I submit that it would be more justifiable to increase the fees a little more and have more fairness for those who use radios in their cars. At any rate, as you said you are ready to submit to the minister our recommendation. I move that the radio fee for radios in automobiles be reduced to one dollar.—A. I think you misunderstood my position. I am chairman of the board of governors, which has nothing to do with the raising of revenues by the Dominion Government. It is true that we found it our duty to make the recommendations we did. I said, sir, that all I felt I could do, and I would be quite willing to do it, was that after listening to what you say and to what other members may say as to some of the inequalities of multiple licence fees and other things, I am quite willing, if the minister is anxious to discuss it with me, as representing the board of governors, to discuss it with him, and certainly to keep an open and judicial mind in so far as any part of my discussion is concerned, having regard to the observations made by this committee.

Mr. DUPUIS: I will then amend my motion and put it this way: that a recommendation be made by the C.B.C. to the minister that the radio fee for radios used in automobiles be reduced to one dollar.

The CHAIRMAN: Are you making that a motion?

Mr. DUPUIS: I am making a motion that a recommendation be made by the C.B.C. to the minister that the radio fee for radios used in automobiles be reduced to one dollar.

The CHAIRMAN: On that point, Mr. Dupuis, may I say that when the sittings of this committee have concluded we are going to bring in a report to the House of Commons based on our deliberations and our findings here. Would it not be well to leave the matter until that time?

Mr. DUPUIS: We are here to discuss the interests of the C.B.C.

The CHAIRMAN: I do not think your motion is in order, Mr. Dupuis.

By Mr. MacMillan:

Q. Mr. Brockington, before making the recommendation to the minister, did you endeavour to ascertain what percentage of the licence fees was paid? —A. As far as this board knows, all the licence fees are collected which are collectible. I do not know if there is any recognized percentage of uncollected fees. I do not know what it is. I hear what you hear. Sometimes people write me letters and say, "Mrs. Brown, who lives in the same block as I do, has not paid her licence fee." I have no doubt about it that there are districts where licence fees may not be collected as fully as in other districts, and that there are individuals who evade payment. But those things always tend to be exaggerated. I think you will agree with that. And we have no possible opportunity of knowing what the percentage is.

Q. How can you find out? Would the commission have a record of all the radios in Canada?—A. No, sir. The Broadcasting Corporation?

Q. Yes.—A. No, sir.

Mr. HAMILTON: Mr. Chairman, speaking not to the motion, but on the general matter—

The CHAIRMAN: I do not think the motion is before the chair.

Mr. DUPUIS: It is. I want your decision.

The CHAIRMAN: There has been no seconder.

Mr. HAMILTON: Without speaking to the motion at all, but the general matter involved in that, as one who comes from the northern section of Ontario, I want to thank Mr. Brockington for the attitude the C.B.C. has taken with reference to giving public service, as a public duty, to all sections of Canada. To me that is one of the vital matters under consideration at the present time. I sympathize with my friend Mr. Martin from the Windsor section. As I have said before, the trouble with them and in the south of Ontario is that they have had a surfeit of radio reception and have had splendid programs and things of that nature both from the United States and Canada.

Mr. MARTIN: May I point out that the C.B.C. station in Windsor was discontinued contemporaneously with the imposition of this additional fee.

The WITNESS: That is subject to change. I will tell you about that.

Mr. HAMILTON: I am discussing the principle. I want to emphasize the soundness of it, being the only one in this meeting, I think, coming from the northern section of Ontario—a vast area there in which there are people most anxious to get radio reception. I think that viewpoint must be kept in mind, and I appreciate very much that the C.B.C. has done so. I also appreciate that there are difficulties in connection with those centres where they do not appreciate so much what it is not to have any reception. May I express the view that I hope that, whatever is done in this committee, the C.B.C. will be left with a free hand to carry out what I believe to be a sound policy, a very desirable and commendable one, that of giving as far as possible equality of coverage throughout the Dominion of Canada.

Mr. TURGEON: May I say a word, before we get into a discussion of the motion?

The CHAIRMAN: Just a minute, Mr. Turgeon. Mr. Dupuis has made a motion and nobody has seconded it. Is there a seconder to his motion?

Mr. DUPUIS: I thought Mr. Martin said he seconded it.

Mr. TURGEON: May I have a moment until the motion is seconded, Mr. Chairman? We have not any motion until it is seconded. I am trying to crowd out discussion—

The CHAIRMAN: Oh, no.

Mr. TURGEON: Just carrying out something that Mr. Hamilton said, I would like to once more give the thought to the chairman of the board—

The CHAIRMAN: Just a minute. I think if there is no seconder to Mr. Dupuis' motion, it will be dropped.

Mr. MARTIN: I agree with what is behind it. I think possibly if Mr. Dupuis could wait until we sit down to make our recommendations, we could agree in that.

Mr. DUPUIS: What I want is the result. If you, Mr. Chairman, believe that it is better for this to wait, all right.

The CHAIRMAN: I might mention that this committee has no power to instruct the board of governors to recommend to the minister the reduction in fees, as you suggest. The only power we have here is to recommend to the House of Commons whatever we choose to recommend in our final report.

Mr. DUPUIS: Although I differ with your opinion, I believe that the end might be attained just as well by making a recommendation in the report.

The CHAIRMAN: All right.

[Mr. Leonard W. Brockington.]

Mr. DUPUIS: That satisfies me.

The CHAIRMAN: Then there is nothing before the chair.

Mr. TURGEON: I was going to say this, and I mention it again because it covers so large an area. I am speaking now, as I spoke for a minute yesterday, for that immense area which is practically all northern British Columbia and to some considerable extent northern Alberta. The chairman yesterday and to-day, in talking of the general policy, mentioned that one of the great interferences with radio reception was due to certain stations in Mexico and he said that this was felt mainly in the western portion of Canada.

The WITNESS: And the north.

Mr. TURGEON: And the north. Mind you, I realize the lack of funds. I realize that very fully. But as a solution to the general question of interference, coupled with the problem of extending radio facilities, the board has practically decided upon a large station in the maritimes, Quebec, Ontario and Saskatchewan.

The WITNESS: I did not say Saskatchewan. I said the west.

Mr. TURGEON: The west. That was as I understood it. I may have misunderstood you. You said the west?

The WITNESS: I said the prairies. I mean, the exact location, while it has been recommended, has not been fixed.

Mr. TURGEON: One of our difficulties is when people, especially in the east, talk of the west, they mean always the prairie west. I am saying that with all respect to the prairies. You will hear people in the east saying western Canada and British Columbia. I think those who come from British Columbia will bear me out in that. That is a common expression. We are talking of western Canada. British Columbia, to a large extent, is west of the mountains—all except the Peace River block. The Peace River block is east of the mountains, but the rest of British Columbia is west of the mountains; and it is in British Columbia—I might be wrong—that the interference of the Mexican high power stations is most seriously felt. I want to ask the chairman of the board of governors and the management not to give me an answer now—I do not expect that—but to seriously consider the situation that does confront them in their desire to do everything possible for the listeners, the situation that confronts them in British Columbia with particular reference to the northern portion, and to see whether as a possible solution they would not consider erecting one of these high power, 50-kilowatt, I think you said, stations at Vancouver. I do not want an answer now.

The CHAIRMAN: Gentlemen, before we proceed with any further questions to Mr. Brockington—

Hon. Mr. LAWSON: We have not had any questions for a long time.

The CHAIRMAN: May I ask the members of the committee to make their questions as brief as possible, so that we can make some progress. I do not want to curtail any expression of views in the committee, but I think—I am not trying to throw any reflection on any one member—that we should try to make our questions as short as possible, and that Mr. Brockington should try to make his answers as short as possible and to the point, so that we will make some progress. Unless we do that, we are not going to make very fast progress.

Mr. EDWARDS: Mr. Chairman, I have no desire to ask a question of Mr. Brockington, but I have the desire to put a question to this committee. I think we have drifted a long way from where we started. I can quite appreciate the viewpoint of some people regarding the increase of licence fees. But living also in western Ontario, within 50 miles of the Hornby station, I am prepared to say that we are prepared to make some sacrifices to accomplish these things which the commission are aiming at. This seems like some arguments in the House of Commons which so often end with, "something must be done." I

would like somebody to define "something" and tell this commission, this board of governors, what alternative they have. I as a member ask just what alternative there is to the suggestions they make for the carrying on of their work and securing their fees.

Mr. MARTIN: I could gladly accept that challenge, if I would not be open—

The CHAIRMAN: I am afraid that would create a debate. I doubt very much if we should develop into a debating society.

Mr. EDWARDS: I am not trying to create a debating society. We all agree that we want better service. It is a most unpopular thing to increase the fee by fifty cents. The board of governors could be very popular by taking fifty cents off. I want to know how you are going to secure the fees to carry on the work they have outlined.

The CHAIRMAN: Will you kindly proceed, gentlemen, and ask any further questions that you wish of Mr. Brockington?

Mr. MARTIN: Do I understand that Mr. Edwards' challenge is to be allowed to lapse?

The CHAIRMAN: Leave that for another sitting.

Mr. EDWARDS: No, it is not a challenge.

Mr. ISNOR: Until he finds a worthy opponent, I have a few financial questions. I was almost tempted to get into that from the spirit of the extreme eastern section of Canada, the maritimes, but I will forget that now, except to say that I am in hearty accord with the thought expressed by Mr. Hamilton. The policy so far pursued by this corporation is such as to lead us to believe that we are not forgotten, even though we are in the extreme eastern section of Canada. May I just, without bringing into the discussion any particular section, say that I think perhaps the maritimes, particularly Nova Scotia, is shown by the figures quoted the day before yesterday to be in the most unfavourable reception position of any portion of Canada. Even when the plans are carried out, we will still be below the average coverage as given by the chairman, of 84, if I have the figures correctly—84 per cent coverage for the whole of Canada in 1939. The maritimes will only show something like 75. But I want to get away from that and come to some financial questions.

The WITNESS: That is explained by geographical and technical conditions which cannot be overcome at the moment by any scientific method. Nova Scotia, geographically and topographically is badly situated.

By Mr. Isnor:

Q. I understand you cannot overcome that handicap. What I would like to have a note made of for the future, as my first question, is when does the financial year close?—A. The 31st of March, 1938.

Q. What is the estimated revenue for the year ending in 1938; or if they can give us that, the estimated revenue for 1939?—A. The estimated revenue I gave yesterday for 1938 to 1939 is \$3,200,000.

Q. Would you subdivide that? I trust I am not asking for information that was already given?—A. It was given yesterday. I can repeat the figures. It was subdivided into licences, \$2,700,000 and commercial revenue, \$500,000.

Q. Can you give us the Canadian programs accepted for the ensuing year?—A. I cannot give you that at the moment.

Q. Can you give us the American?—A. I cannot give you any of those details at the moment. The year is not completed, of course, yet.

Q. Can you give us those details for the year which is closed?—A. They have been filed with the committee up to February, 1938. If they have not been filed, they are in process of being filed.

The CHAIRMAN: That information will be all forthcoming when Mr. Murray gets on the stand.

[Mr. Leonard W. Brockington.]

Hon. Mr. LAWSON: Incidentally, if my friend will forgive me—just when Mr. Brockington mentions this it might be a propitious time for me to enquire as to when we might anticipate receiving the information which you as chairman requested from the broadcasting corporation?

The CHAIRMAN: I might say, Mr. Lawson, that as soon as we are through with Mr. Brockington, Mr. Murray will be on the stand and Mr. Murray will be able to provide that information.

Mr. MACMILLAN: Is the matter of the licence fee, the motion made by Mr. Dupuis, settled? Is that to be considered by this committee?

The CHAIRMAN: No, the motion is out of order.

Mr. MACKENZIE: Mr. Chairman, I would like to ask Mr. Brockington one or two straight questions; but before doing so, I would just like to bring before the committee what I think is the opinion from another district of Canada with regard to the radio fees. It struck me as rather significant that much of the objection to the increased fees has come from perhaps three prescribed districts in the east, central Canada.

Mr. MARTIN: The suffering areas.

Mr. MACKENZIE: From Windsor, a very small area in the western part of Ontario, I think to some extent from Toronto and to some extent from Montreal, perhaps, although I am not sure about that.

Mr. DUPUIS: You should be.

Mr. MACKENZIE: Personally, I rather favour direct taxation. We know what it is we are paying for. I used a word in regard to this district—

An Hon. MEMBER: You qualified it.

Mr. MACKENZIE: I will not qualify it at all, then. It is rather peculiar, I think that it is come from these districts.

Mr. EDWARDS: Not all those instances. I am in western Ontario.

Mr. MACKENZIE: Part of western Ontario; but I thought it was rather significant that it should come from those three districts. I think there is something fundamentally peculiar in the whole situation.

The CHAIRMAN: In other words, human nature is never satisfied.

Mr. MACKENZIE: There is more than that. It is something inherent in our whole Canadian economy that it should come from these districts. I am going to leave it at that.

Mr. MARTIN: You cannot expect a burdened people not to complain.

Mr. MACKENZIE: I would like to say that I think your taxation should come from the people who can pay the taxation; and as regards the extra licence fee for the car, I think anybody who can afford a car, should be quite prepared to pay the radio licence fee.

Mr. DUPUIS: He uses it only for the car.

Mr. MACKENZIE: May I say, I buy a radio licence myself and use it a very few months while I am at home. I am not kicking about that.

Mr. DUPUIS: Your wife is using it.

Mr. MACKENZIE: No, she is not at home either. She is down here with me at Ottawa. This is the way I look at it.

Hon. Mr. LAWSON: You are luckier than the Chairman.

Mr. MACKENZIE: He is going to be more fortunate in the near future. I understand. Leaving that aside for the time being, there are one or two questions that have been brought to my attention in a letter which I received. One was brought to my attention in a letter I received yesterday, and the other one arises out of something Mr. Brockington said yesterday. The one in the letter is, I

think, a matter of policy, and if it is a matter of policy on the part of the Board of Directors I shall not press it. This came to me from a community which Mr. Brockington will know of, at least, whether he knows it personally or not I am not sure. This letter reads as follows:—

May I venture a suggestion to you as a member of the radio committee? There is in use within our community a number of radios of values ranging from \$2 to \$10. Is it fair that these should pay the same licence fee as sets ranging up to \$200 in value?

The other question can be answered very quickly. I should like you to deal with that, Mr. Brockington, if it is within your province. You stated yesterday that you were contemplating improvement in radio facilities at Sault Ste. Marie?—A. Yes.

Q. Or in that district. How far will that improvement extend? Will it extend to Kirkland Lake, and the mining area?—A. I could not give you the coverage estimates. I understand the Sault Ste. Marie station is a 1,000 watt station. I understand they are not getting C.B.C. programs, but they probably will get them. They would get them normally from CBL with a reasonable coverage, if the Mexican interference is eliminated, and the projection of reception there from our high powered station has improved in that neighbourhood. We are proposing, however, to extend wire facilities at Sault Ste. Marie to make the local station a basic station so that people in that neighbourhood will get the programs. I can find out for you, if you like, what would be the estimated projection of good service. We may have coverage reports in regard to the secondary service at the Sault Ste. Marie 1,000 watt station. If we have, I will see that you are supplied with them.

Q. It was more in connection with the territory east of that.—A. I see what you mean, yes, sir. Yes, I can get that information for you, I think, sir, if it is available.

Q. The other question is in regard to the very low-priced sets being charged a licence fee. I do not know whether that is within your province or not, but I should like to get your information on it.—A. I think that would be wholly impractical. I do not know what you mean by the cost of radio. I have a radio myself that I bought many years ago which cost me \$385. Now, I bought it on the Kathleen Mavourneen plan. It may be for years, and it may be forever. I know that on the terms of repayment I could have bought two new ones for the price I still owed on the old one. That radio cost me \$385, and I imagine that if I took it to a store they would give me \$5 on a new radio; so I think the cost of a radio would be a wholly impractical criterion on which to base any licence fee.

By Mr. Dupuis:

Q. There is a point that should be cleared up. I am referring to a kind of radio that is used by farmers who have not got electric lights and they use batteries.—A. I understand.

Q. I understand they do not pay a fee?—A. I understand Mr. Howe made an answer in the House the other day that the battery sets in districts not supplied with power were not affected, and that they would be kept at the old licence fee.

Q. The old licence fee?—A. The old licence fee.

Q. I thought they did not pay any fees at all. Then, I should like to refer to the peanut tube sets. They do not pay any fees.

Mr. BERTRAND: The crystal sets.

The CHAIRMAN: There are very few of them in the country to-day.

Mr. DUPUIS: There are some.

[Mr. Leonard W. Brockington.]

By Mr. MacLean:

Q. Mr. Brockington was asked a little while ago to estimate what this 50 cent increase would bring in. Can you estimate what loss there will be to the commission in the discontinuance of sets that is threatened by the public if the licence is increased?—A. Well, personally I would totally eliminate from any calculation any discontinuance of radio sets because of the increase of one cent a week.

The CHAIRMAN: I should like to ask one or two questions if nobody else has any to ask.

Hon. Mr. LAWSON: I have a whole series.

By the Chairman:

Q. Have the C.B.C. considered the possibilities and advantages of the erection of a high powered short-wave station, if so, what are the possibilities and the advantage?—A. Yes, sir; I may say that this is particularly one of my own pet ideas, because I think it would be of such great national and international advantage; on the other hand we are once again in the position where chill penury freezes the genial current of our soul. There is no immediate prospect of its erection. I may say we did have a survey made of the possibility of erecting a 50-kilowatt high-powered short-wave station. It would cost about \$350,000 for erection. It would cost for operation from \$90,000 to \$130,000 a year, depending on whether the carrying charges, capital, interest and so on are repaid. The advantages are many, as it would aid Canada's prestige in the broadcasting world. Everybody knows many nations of Europe are directing shortwave programs to us several times a week. Our national voice can never speak except by special transmissions across the Atlantic. We have in our country many former citizens of European countries who in times of stress could speak the voice of peace to their former fellow-citizens elsewhere. I think it would be a great advantage, also, in case immigration ever became a vital issue in Canada. I think it would create an advantage to us in the case of advertising our national goods. For instance, I had a little survey made and I think at the moment Canada spends some \$300,000 a year advertising Canadian wheat and other matters in Great Britain. It would also help us to establish a cultural position, the establishment of which I think is long overdue in the concert of nations. For instance, Canada has orchestras such as the Toronto Symphony Orchestra and orchestras in Montreal, the Mendelssohn Choir, and a number of these organizations, together with a number of colourful events that could be developed in this country which might well be broadcast elsewhere in Europe. I may say that we are under a great handicap inasmuch as there is an absence of that kind of broadcasting. Then, it seems to me there is another great national advantage. While we have perfect harmony between the English and French speaking people on our board, I think everybody does realise that something might be done and should be done to enable communities of French speaking Canadians outside Quebec to receive some regular service. We have, as you know, a French network that does reach and will reach communities in the maritimes; but there are other communities throughout Canada that are not reached. Now, we know sometimes that the joint broadcasting of English and French over one network does bring some irritation. There is no denying that all our people do not take the same view that I take, for instance, with reference to the presence of French and English in this country. Some people take a different view, and I have felt that the establishment of a powerful short-wave station may, as the years go by, tend to limit the inability under which French Canadian communities in other parts of Canada now labour; because we can by broadcasting over short wave send out some regular French programs across

Canada, and to the maritimes which would not interfere with the English network but which would at least bring some comfort to those French communities who by the perseverance which is characteristic of their race still retain, as one would always wish them to retain, affection for the customs and language of Quebec.

Mr. DUPUIS: Hear, hear.

By the Chairman:

Q. My next question is: Does the C.B.C. discover much resistance to the acceptance of its programs on the part of privately owned stations?—A. Just the opposite, sir. We would find resistance by the private stations to the reception of all C.B.C. programs; but within the periods available they do take sustaining programs for the sake of adding to their commercial programs in building up their audiences, especially outside large centres where powerful private stations are no doubt able to develop their own sustaining programs to their own satisfaction. There is the greatest desire on the part of the private stations for additional programs. The difficulty, as I pointed out yesterday, is that they are prepared to take them at times convenient to themselves, and invariably in varying quantities.

Q. May I ask another question: what is the policy of the C.B.C. in commercial broadcasting—I do not think I will ask that.—A. I think I gave that answer to Mr. Hamilton, did I not?

Q. Yes. Have you arrangements for the broadcasting to other parts of the British Commonwealth of Nations, and if so to what extent?—A. As you know, the B.B.C. sends us a regular service. They have, I think, gone to some additional expense this year to make a special service available to us. We have the completest understanding with them, and we do receive from them a large number of programs, many of which bring the greatest delight to our citizens. In recent weeks, during the international crisis, we have received a very remarkable service from them. I shall give you a specimen of one program I happened to listen to myself the other day; first of all it brought Mr. Wickham Steed, late editor of the *London Times*, who commented on the international situation, he commented on addresses that took place in the British parliament. Then we put on the actual arrival of Hitler in Berlin and his speech on his Austrian adventure. That was followed immediately by a presentation of an English musical comedy from the Gaiety Theatre, with the applause and attendance of the audience. That is the kind of service we get from Britain. I should like to state further that we are sending some of our programs, having reduced them to electrical transcription, to Australia and New Zealand. We are sending out more programs now than we used to do. For instance, we are working on a program now to be sent to England under the supervision of Mr. Gillian, illustrating cross-sections of French-Canadian life in Quebec.

There is, I believe, also imminent a conference with the broadcasting associations of the Empire, Australia, South Africa, New Zealand, Canada and Great Britain, in an attempt to improve and extend the interchange of cultural programs.

Q. I have just one more question to ask. Have you been able to ascertain the attitude of the Canadian public on American broadcasts in Canada?—A. Well, I would say this, that it should be understood in the first place that American broadcasts have been heard over Canadian broadcasting stations and have been coming into Canada for a number of years now in the larger centres. American programs have been coming in quite regularly at Toronto and Montreal for a number of years. They presumably come into Windsor also, but I do not think they come over the Windsor station. But there have been American outlets in these two great centres; therefore the reactions from these centres will not be any different now from what they always have been in the past.

[Mr. Leonard W. Brockington.]

I believe the American programs have been generally acceptable throughout the rest of Canada. I would say this, that in so far as American sustaining programs are concerned there must be unanimous approval of the services we have received. There can be no question but that there is no finer broadcast in the world than that of the Metropolitan opera. One of the finest educational programs that I know of is the New York Symphony. While I am on it may I just say that the New York Philharmonic is a contribution made to culture on the North American and South American continents by the Carnegie trustees. They pay for it, and I remember the head of that trusteeship telling me one day that of all the educational activities conducted by the Carnegie Corporation in his opinion the finest was the New York Symphony. Therefore, I would say there is almost unanimous approval of the sustaining programs. With reference to the commercial programs I would say the approval at least in the districts from which I hear has been overwhelming; and while it cannot be unanimous I think there has been very general approval of these programs, not because they are commercial, but because they represent a high standard of entertainment value.

Q. I think there must be a very fine line of distinction between what the C.B.C. is taking through its channels from the American stations and what is heard by people who have stronger sets and tune in direct. I understand, Mr. Brockington, that you convey to the Canadian air only programs which are acceptable, programs which are not offensive to the Canadian people—music of sorts, songs and some features which are of interest to the Canadian public?—A. We can, over the Canadian network. From the American networks we get the very best American programs. Don't let us forget that, that is our strength.

Q. To clear the question up, is there any attempt on the part of the C.B.C. to control the broadcasting of programs which would have the effect of Americanizing the Canadian people—if I might use that word?—A. I can see what you mean, sir.

Hon. Mr. LAWSON: That was Sir John Aird's contention.

The WITNESS: I would say with regard to the American commercial programs which come in that they are primarily designed of course for American consumption. But after all, the moving pictures, the comic strips, the papers, the magazines and everything else have made our people particularly susceptible to the American humour and the American vaudeville which distinguish these programs.

By Mr. Dupuis:

Q. Of that I am perfectly convinced; but it is only to answer those who criticize so strongly the Canadian Broadcasting Corporation for allowing these American programs to come in.—A. If you ask me I would say this, that whatever Americanization of Canadians may be going on, or may have gone on, or may come up in the future, I think our national fibre is strong enough to resist any Americanization. I would say this, further, that in so far as the Canadian Broadcasting Corporation offering American broadcasts is concerned, they contribute nothing to the Americanization of Canada.

By Hon. Mr. Lawson:

Q. May I take it from that that you disagree with the statement of the original Aird report that by nationalizing radio in Canada we would prevent the penetration of Canadian communities by American programs?—A. Quite so. I agree with that statement entirely and I think that is our exact position. If Canadian broadcasting had not become national you know, I think everybody realizes that the American chains would have completely dominated Canada.

Mr. MARTIN: Certainly.

The WITNESS: If we were to go out of business every private station in Canada would scramble to get on one of the big American networks, and instead of having the limit of 8½ hours a week which you now have of these commercial programs they would dominate the air. I agree with the Aird report that if the Canadian Broadcasting Commission had not been set up there might be a disastrous Americanization of Canada by way of the air.

By Hon. Mr. Lawson:

Q. Might I follow that statement up and so save bringing it back later?
—A. Yes.

Q. You say that every private station in Canada would scramble to get on an American chain?—A. Yes.

Q. Let me assume that the Canadian Broadcasting Corporation were still in existence for all purposes except the operation of stations; you realize that you have the power under the present Act to prohibit private stations from becoming a part of chains?—A. Quite so.

Q. You further realize that the Canadian Broadcasting Corporation has passed regulations as the result of which you will not permit private stations to become part of chains except by a specific application to your board, or your official inspection of each particular program which they propose to put on from the chain?—A. Yes.

Q. Is that not so?—A. Quite so.

Q. In that event, Mr. Brockington, would the control of the private station joining or not joining an American broadcasting chain be still in the hands of the directors of the Canadian Broadcasting Corporation?
—A. Yes, the Canadian Broadcasting Corporation would have that control, but with conditions as they existed before the corporation came into being it was not under control. What I said was this—

Q. Excuse me, I asked you to distinguish between the Canadian Broadcasting Corporation as a controlling body and an operating body, and now I put my question in this way: the Canadian Broadcasting Corporation being the controlling body of enterprise or enterprises in that particular field rather than an operator and owner of stations in that field—A. Oh, I quite agree with you that if your Canadian Broadcasting Corporation retired altogether from the operation of stations and the preparations of programs and merely remained as a regulatory board we could still prohibit any Canadian station becoming a member of an American chain or chains of stations. What I said was if we were out of existence, or if national radio had not been created, Canadian programs would have been completely Americanized.

Q. I will deal with that later?—A. All right.

By Mr. Martin:

Q. When the committee sat two years ago one of the greatest provocations was the dissemination of news comment from the United States. I think Trans-radio was one to which the committee took strong exception. What is the extent of the elimination of this sort of thing from private stations?—A. The position we take as to that is this: our regulations regarding news broadcasts are these, we first of all take service from the Canadian press, which is provided to us for nothing. It is made available to our Canadian Broadcasting Corporation stations across Canada. We allow any station in Canada to broadcast a service of that kind. We also allow them to broadcast any service that has been prepared through their local newspapers, or to broadcast news gathered by the operators of the station. We allow any other news service to be broadcast, provided permission is first obtained. I know there are objections to certain types of news broadcasts, but I do not think there have been so many complaints lately. We realize, of course, that in time of international crisis there are

[Mr. Leonard W. Brockington.]

certain types of news service which lend themselves to foreign propaganda, and we like to avoid a thing of that kind when we can. I would like to see news from Canadian sources have a monopoly, if possible, but only for one reason and that is because it is presented in much better shape and thereby is better able to overcome any objection there might be to other news-broadcasting. In other words it should eliminate its competitors if it can by service. We have not thought it desirable to restrict the news sources to any particular organization, but we have thought it desirable to obtain control over these external news sources in case we would discover any obvious propaganda being presented by reason of their foreign origin.

Q. The great difficulty is that the Canadian Press broadcast is, I think, simply a bare statement of news?—A. Quite so.

Q. And many of these American news sources go much beyond that; they are comments?—A. Yes.

By Mr. Dupuis:

Q. Then, you do attempt to avoid improper Americanization from sources of that kind. That is quite different from the cultural advantages of broadcasts such as one hears from the Metropolitan opera—those Saturday afternoon and Sunday broadcasts.—A. You understand, we do not bring in any of those broadcasts to where objection is raised.

Q. I know you don't?—A. The Canadian Press supplies the news service to us throughout Canada.

Q. I recall that the other day when Mr. Anthony Eden resigned there was some comment made by the editor of an American journal—I do not wish to mention the name of it here—A. Yes.

Q. And the statement made was very derogatory in the opinion of Britishers. I was wondering whether that was transmitted by the Canadian Broadcasting Corporation or by Canadian stations?—A. If you will identify the broadcast for me I will answer the question. I do not know whether it was or not because I do not know to what particular broadcast you refer.

Mr. DUPUIS: It was in a New York paper.

The CHAIRMAN: Now, gentlemen, are there any further questions of Mr. Brockington?

By Hon. Mr. Lawson:

Q. I would like to go back to where Mr. Brockington and I left off—I have a habit of doing that, keeping things like that in my mind—Mr. Brockington, am I to take it as a result of the discussion which arose from the question I asked that I have to accept your general opinion that private stations could not live without the programs of the Canadian Broadcasting Corporation; or, am I to anticipate that you will provide to the committee a list of those stations which you say could not—those on your chain—I am not interested in those which can live without the assistance of the programs of the Canadian Broadcasting Corporation.

Mr. DUPUIS: Might I suggest, before the witness answers, that this question would be more appropriate to-morrow. Perhaps Mr. Lawson would wait until we have the report.

Hon. Mr. LAWSON: All I had in mind was—

Mr. DUPUIS: I will be glad to read what was said by Mr. Brockington.

Hon. Mr. LAWSON: All I had in mind was that Mr. Brockington lives in western Canada. I assume he is anxious to get away home. I did not want to ask Mr. Brockington to come back here again; yet, I have some information that I did want to get from him.

The WITNESS: Might I tell you this, that I am not only anxious to get home, but I was not anxious to come here at all; but now that I am here I propose to stay with this committee until it is through and until Mr. Murray is off the stand.

The CHAIRMAN: Will you follow your question up?

The WITNESS: What I would like to do is this, if I may; I would like to look up what I said and ask your permission to review it. Perhaps I should have made it a little fuller, or more explanatory, and if I were to look at it possibly I could make that explanation sufficiently complete that it will serve the purpose you have in mind.

Hon. Mr. LAWSON: May I take it that you are remaining over for the next meeting of the committee?

The WITNESS: Yes, sir.

Hon. Mr. LAWSON: I am not pressing my question. I was anxious to have some things answered before Mr. Brockington went away. If he is going to be here I am content to wait.

The WITNESS: I thank you very much for your courtesy in the matter.

The CHAIRMAN: Gentlemen, many of the members of the board of governors are here and many of them are anxious to go back home. Mr. Brockington is going to remain over next week, as long as we wish him to remain. Are there any other questions that members of the committee would like to ask other members of the board of governors. If not, I think we could allow them to go back to their respective homes and keep Mr. Brockington. I think he would be able to give us all the information we would require.

Mr. HAMILTON: Is there a finance committee on the board of governors?

The CHAIRMAN: Yes, there is a finance committee. Mr. Morin is the chairman.

Mr. HAMILTON: Will the chairman of that board be here?

The CHAIRMAN: Mr. Morin went back to Montreal. I am pretty sure he will be here again.

The WITNESS: If you will look at Hansard you will see that I mentioned that committee. Mr. Morin had to return to his home last night but he will come back at any time on a telephone call, if he knows he is wanted.

The CHAIRMAN: He is easily available from Ottawa and can be called at any time you want him.

Mr. MARTIN: I was going to make a suggestion. No member of the committee could help but approve the very generous statements made by Mr. Brockington this morning, but in view of the problems that arise out of the condition in this country that we have two official languages it might be a good thing if some French-Canadian member of the board of governors were allowed to make a supplementary statement. I am sure it would be very helpful. I think it would be a good thing for one French-Canadian member of that board to make a statement to this committee.

The CHAIRMAN: Would that be agreeable, that Mr. Morin should be here at our next meeting? He is vice-chairman of the board and he is chairman of the finance committee.

Mr. MARTIN: I think it would be a good thing.

The CHAIRMAN: If that is agreed on by members of the committee, then Mr. Brockington and Mr. Morin will be available and will be able to give us all the information we are likely to need. That being the case, I think we may safely permit the other members of the board of governors if they wish to do so to go back to their respective homes, and in that way the committee will not be holding them here unduly. Is that agreed?

[Mr. Leonard W. Brockington.]

Some hon. MEMBERS: Carried.

Mr. DUPUIS: Before the committee arises I would like to put a question so that some details of administration be brought before the committee next week. May I ask Mr. Brockington if they keep a record of the payments of salaries to artists and musicians and those who are on the air?

The WITNESS: Obviously, there must be records of these things. I do not keep them. I suggest that you reserve questions of that kind, if you would, for Mr. Murray. He will be on the stand. I take it he will have the right to say he may have some objection to answering them, but he will be on the stand.

The CHAIRMAN: I might offer this suggestion, Mr. Dupuis: that, in order to facilitate matters, you prepare Mr. Murray by giving him some idea of the information you desire.

Mr. DUPUIS: Yes.

The CHAIRMAN: It is 1 o'clock gentlemen; is it your pleasure that we adjourn?

Mr. BERTRAND: Yes, to meet again Tuesday.

The CHAIRMAN: Then we shall adjourn and meet on Tuesday at 11 o'clock.

(At 1 p.m. the committee adjourned until Tuesday, March 29, 1938, at 11 o'clock.)

SESSION 1938
HOUSE OF COMMONS

(STANDING COMMITTEE)

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, MARCH 29, 1938

WITNESSES:

Mr. Leonard W. Brockington, K.C., Chairman Canadian Broadcasting Corporation.

Mr. René Morin, N.P. Vice Chairman, Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1938

MINUTES OF PROCEEDINGS

TUESDAY, March 29, 1938.

The Standing Committee on Radio Broadcasting met this day at 11 a.m.

The Chairman, Mr. A. L. Beaubien, Presided.

Members Present: Messrs. Ahearn, Barber, Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Edwards, Factor, Hamilton, Howe, Isner, Johnston (*Bow River*), Lawson, MacKenzie (*Nepawa*), MacLean (*Prince*), MacMillan, Ross (*Moose Jaw*), Turgeon, Woodsworth.—19.

In Attendance: Mr. Leonard W. Brockington, K.C., Chairman, Mr. René Morin, Vice-Chairman of the Board of Governors of the Canadian Broadcasting Corporation. Also Mr. Gladstone Murray, General Manager and Mr. Donald Manson, Chief Executive Assistant of the Canadian Broadcasting Corporation.

Mr. Leonard W. Brockington, K.C., recalled and examination continued.

Witness retired.

Mr. René Morin, N.P., Vice-Chairman, called and examined.

Witness retired.

The Committee adjourned to meet again on Thursday next, March 31, 1938, at 11 a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429.

March 29, 1938.

The select standing committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, we have a quorum. When we rose at our last sitting Mr. Brockington was still on the stand. I suppose, it is the wish of the committee that we should continue with Mr. Brockington this morning. We also have with us this morning Mr. Morin, another one of the governors. What is the wish of the committee?

Mr. TURGEON: Mr. Brockington might continue, if he is ready.

Mr. L. W. BROCKINGTON, K.C., recalled.

The CHAIRMAN: I see that Mr. Plaunt, another one of the board of governors, has just come in.

The WITNESS: Mr. Chairman, may I place on the record an answer to a question asked by Mr. MacKenzie or Mr. McKinnon. One of these gentlemen asked me a question about the Sault Ste. Marie station.

Mr. TURGEON: I think it was Mr. Hamilton.

Mr. MACKENZIE: I spoke about it.

The WITNESS: You asked me about the coverage at Sault Ste. Marie.

Mr. MACKENZIE: I asked you about the coverage in northern Ontario, and how far from Sault Ste. Marie that coverage extended.

The WITNESS: In the first place I should like to correct a little slip of the tongue in regard to that station. I said it had a power of 1000 watts; it should have been 100. I asked for a report from our engineer concerning that station.

At present there is a station, CJIC, in Sault Ste. Marie, of only 100 watts power, operating on the local channel of 1500 kilocycles.

It is improbable that in the day time this station has any Canadian audience situated further than 25 miles from the station. At night due to interference from other stations using this channel, it is also probable that there are few listeners beyond 10 or 15 miles. The nearest Canadian station to this area beside CJIC is the Sudbury station, CKSO, of one kilowatt power. Sudbury is some 160 miles from Sault Ste. Marie. CKSO probably has listeners within 70 miles radius in the day time, but at night due to interference, only within some 35 miles radius. CKSO is a basic C.B.C. station.

Accordingly there is an area east of Sault Ste. Marie which does not get any local service. However, the Canadian stations CFRB and CBL, which as you know, is a large C.B.C. station in Toronto, give some kind of service here in the day time. At night this service is probably fairly satisfactory from CFRB, but that from CBL is spoiled by Mexican interference.

When the Mexican interference is removed we expect that the night time secondary service from CBL in this area will be satisfactory.

The CHAIRMAN: I think Mr. Brockington was going to make a statement about some remark he made the other day in regard to private stations not being able to live without sustaining programs from the C.B.C.

By the Chairman:

Q. Do you want to make some correction about that?—A. The question raised by Mr. Lawson as to the statement I made which may have been perhaps to some extent misinterpreted, that private stations could not, in most parts of Canada, live without the C.B.C. programs, I should like to enlarge on this morning. I think when I was questioned on Friday I made it quite clear what I had intended to convey, and that is this: that in most parts of Canada private stations without the service from the C.B.C. could not live and maintain satisfactory sustaining programs and a sufficiently high standard of broadcasting service—I was just emphasizing that—

Hon. Mr. LAWSON: I am sorry I was a minute late.

By Mr. Johnston:

Q. Is it true that some of the C.B.C. rulings are to the effect that they will not permit the private stations to increase their coverage, yet at the same time they themselves are endeavouring to increase theirs? I understand some private stations have even gone as far as to apply for increased coverage, increases in the power of the stations—I do not know the proper technical term to apply to this—and have not been permitted to get the increase, while at the same time the C.B.C. is extending its coverage. I do not think that will be a fair situation to have when the C.B.C. is, you might say, a private organization itself, competing with these private stations. I have one station in mind particularly, which is endeavouring to increase its coverage and give greater service to the people in that area, and yet they are not permitted to do that. I should like to know if that is true?—A. It is, sir, for reasons which I propose to elaborate before this committee adjourns this morning. I think it is absolutely essential that the control of high powered stations shall remain in the state. Without that control both temporary and permanent, in my opinion, broadcasting in Canada could never reach the standard which we think it should reach. I think I explained that on the opening day and also reiterated it on Friday. The policy of the Canadian Broadcasting Corporation is that no new station hereafter shall be allowed to use power in excess of 1,000 watts; that no station now holding power of 1,000 watts or over shall be allowed to increase its power beyond its present extent. In the end what is envisaged is that the complete control of high power operations shall be vested in the state. When I say "in the end," I refer to the ultimate policy which may of course not come into effect for a number of years. It is our intention, at least so far as we can, so to maintain the public domain that the state may control all high power facilities, leaving small power stations to be operated, and local functions to be performed, by private broadcasting.

Now, that is definitely the position. Since we have been in office we have allowed certain increases up to 1,000 watts where we considered it was the need of the locality to obtain some further broadcasting services. Many applications have been made to us for high power stations; they have been refused, and as far as this board is concerned they will always be refused. Some have been applying for increases to 1,000 watts. A number of factors have been taken into consideration. Some have been granted; some have been refused. In many instances refusals have been due to the fact that there are no channels available. If you wish any information, private or public for that matter, as to specific applications which were refused, and the reasons why they were refused, I would be very glad to obtain it for you.

Q. Speaking of channels, is there any danger of the C.B.C. taking away channels which are already possessed by private stations, because if that is so it would make another handicap for these private stations to get over?—A. When the Havana agreement is implemented there will have to be a re-allocation of wave-lengths in the interests of broadcasting.

[Mr. Leonard W. Brockington, K.C.]

Q. Providing a private station has a wave channel which is very satisfactory, and may be more satisfactory possibly than the C.B.C. channel, is it the intention of the C.B.C. to come along and say we are going to take away this wave channel from you and we will give you another which may have a lot of interference?—A. When the Havana agreement is implemented there will have to be a resurvey of the occupation of wave channels in this country. It is highly technical. I am not quite competent to discuss it in its details. If you will direct to me any specific questions I can try to answer them or obtain answers if they are too technical for me. In the meantime all I can tell you is this: channels in this country are going to be rearranged in accordance with the Havana conference for one purpose, to see that the citizens of Canada get improved listening service wherever possible. Beyond that I cannot say anything. It may be some private stations may have their channels changed. I should like to point out to the committee that this Broadcasting Corporation does not recognize any vested right or any final and continued ownership by any private station of any channel in the Dominion of Canada.

Q. I can think of places where private stations are giving good broadcasting facilities. I am thinking of one particular station, CFCN in Calgary, which has one of the best channels of any in the west and has more coverage, due to the fact that its particular channel has no interference. It is an exceptionally good radio station, and I may say its news broadcasts are of a very high standard. It would seem to me unfair—I am perfectly in accord with parliamentary control, but I think it would be extremely unfair—if this channel were taken away from that station, and at the same time it were prohibited from increasing coverage. In that respect you are not only curtailing its reception, but you are putting a government owned station in competition with it as far as its business is concerned. Yet, you say to this station: “we will not allow you to increase your profits by increasing your coverage; furthermore we will take away your good channel.” I think there should be a great deal of care taken in cases like that because it will lead to a lot of hard feeling.

The CHAIRMAN: May I interject a remark here. The Canadian Broadcasting Corporation is operating and functioning by reason of a parliamentary Act which was passed in 1936. I have a copy of the Act here. This Act gives the Broadcasting Corporation very wide powers.

The WITNESS: Perhaps I can tell Mr. Johnston this: there is no intention to interfere capriciously with existing wave-lengths enjoyed by private stations unless it is imperative to re-allocate in accordance with international agreements or in the national interest. I have no information that any interference of that kind with CFCN is contemplated, nor, I may say—

Mr. JOHNSTON: I am not saying that—

The WITNESS: Nor, as far as I know, does the C.B.C. possess any station which is competing with CFCN.

By Hon. Mr. Lawson:

Q. Apropos of the matter of channels, has the Canadian Broadcasting Corporation any settled policy with respect to not granting new broadcasting licences over any channels to private stations? I do not mean the substitution of another channel for one that a private station already has. Let me assume that Mr. A. wants to establish a private station anywhere in Canada and applies to the Canadian Broadcasting Corporation for a licence. Has the Canadian Broadcasting Corporation any settled policy with respect to refusing new licences? —A. Or the granting of them?

Q. To the granting or refusing?—A. Yes. The government grants them, but they are all referred to us for recommendation. I indicated that we have one major policy. It is not proposed to grant any licences in excess of 1000 watts to private interests. That is a definite policy which has been—

Q. I realize that. But I am going a step further. Has the Broadcasting Corporation any policy going a step further?—A. Below that?

Q. No. I want to know if you have any settled policy that you will recommend for or against the granting of new private stations a wave-length?—A. Yes.

Q. Or channels?—A. The policy which governs that, what I call the policy beneath that, concerns the granting of licences up to 1000 watts. The policy is, first of all, to consider the technical position as to whether wave-lengths are available and whether such grants can be made; whether we have them to give, in the first place, and what would be the effect on existing broadcasting. Secondly, what are the needs of the people, and thirdly, what effect the grant may have upon what I call the "long-term policy" of the Corporation, and fourthly, some consideration is given to the after-effect of the application. When I say "after-effects" I want to make it distinctly understood that I have no reference whatever to political opinions or matters of that kind but I refer to the financial and other standing of the applicant, the news and desires of the local community and similar things related to the public interest.

Q. To reduce that to something definite, I can take it that if a private station to be built applies for a licence for 1000 watts power or less, and a channel is available, the Canadian Broadcasting Corporation will not as a matter of policy refuse it. The matter will remain in the discretion of the C.B.C.?—A. Having regard to, first of all, local needs.

Q. I am not interested in the reason. I want to get at the facts.?—A. There is no capricious refusal of anything.

Q. I am sorry. I want to get at the facts. It is not a settled policy on the part of the C.B.C. that they will refuse any and all applicants for the establishment of a private station and award them a channel if a channel is available?—A. Up to a limit of 1000 watts?

Q. Up to a limit of 1000 watts.

Mr. FACTOR: May I ask you this.

By Mr. Edwards:

Q. You have answered that, have you?—A. I tried to.

Q. You say that you do not grant licences; the government grants them?—A. Quite so.

Q. The government accepts your recommendation on the granting or refusing of any licence?—A. I understand they have heretofore.

Q. Have they ever wavered from that policy?—A. As far as I know, no.

By Mr. Factor:

Q. I was going to ask you, following up Mr. Lawson's questions, is it not the ultimate objective of the Canadian Broadcasting Corporation to eliminate all private stations with the exception of those that may be considered local in character?—A. I would—

Mr. LAWSON: Local in character up to 1,000 watts.

By Mr. Factor:

Q. The ultimate objective is for the state to publicly own all high power broadcasting stations?—A. Certainly, that is the ultimate objective of the Corporation, and I think the ultimate objective laid down by the Aird Commission. What is exactly meant by "ultimate"? In point of time I am not prepared to say at the moment, because we are in a period of growth. I for one do not want to indulge in what has commonly been called the gratuitous error of prophesy I do not know when; but that is the ultimate policy, yes.

[Mr. Leonard W. Brockington, K.C.]

Q. If I interpret correctly the wish of parliament in the last nine years to my knowledge, it was their considered opinion that radio should become a publicly owned system?—A. Yes, sir.

Q. And that in the degree that finances permitted all private stations were to be eliminated, shall I say, in a private way, and that all radio broadcasting was to be considered as publicly owned.—A. Yes, sir.

Q. Now, we find this morning, listening to members, that it is their objective to perpetuate private stations. Is it the objective of this committee and of the Broadcasting Corporation to enhance the advancement of public ownership in radio?—A. I hope, sir, that no answer of mine has indicated that the Canadian Broadcasting Corporation has receded one inch from the maintenance and defence of a national system which I have attempted to explain as clearly as I can.

By Mr. Edwards:

Q. Don't you think that we are all convinced that that is the correct course, and that what we have decided upon is right, but that does not include all stations with a limited area?—A. Quite so, sir.

Q. The chances are they will never be taken over.

Mr. FACTOR: I said that.

Mr. EDWARDS: You were referring to stations of 1,000 watts.

The WITNESS: May I say the proximity to the United States and the desire of our own people for variety probably make it undesirable in the national interest to have a complete monopoly of broadcasting in the hands of the state. It will no doubt be inevitable that small local stations shall be left to function in the local field. I think I said on Thursday we are not seeking a monopoly of broadcasting in Canada, but we are seeking a monopoly of high power broadcasting facilities.

The CHAIRMAN: I think if members of the committee will look at section 11 of the Radio Act they will see that these licences are granted from year to year.

By the Chairman:

Q. I understand these licences are granted from year to year?—A. Yes, sir. Licences, of course, are granted from year to year and there is no individual property in a licence. I admit some private stations seem to think there is; but as far as legal rights are concerned there is certainly no property in any licence or channel or any wave-length.

By Hon. Mr. Lawson:

Q. After the agreements to which you referred have been consummated—
—A. Yes.

Q. If in the course of the allocation of wave-lengths the Broadcasting Corporation deems it in the national interest to take away from some private station a wave-length which it now has and not substitute another therefor, is there any policy of the Broadcasting Corporation as to whether or not you will expropriate that private station under the terms of the Act, thereupon paying compensation for the physical assets of the station?—A. As far as this present board is concerned I would not believe in cancelling the licences of people of that kind without considering whether the assets were worth something to the public, and the possibility of taking them over. I do not think that is contemplated at all, that the re-allocation is going to mean the cancellation of licences or wave-lengths without the substitution of some others. I think that with the increased channels that will be available to us, more clear channels and more shared channels, re-allocation will contribute to the betterment and extension of Canadian broadcasting rather than to its detriment and restriction.

By Mr. Isnor:

Q. I would like to ask you, Mr. Brockington, as to whether any steps are being taken by the Corporation to complete coverage in certain sections in Canada? I have in mind, as I mentioned the other day, the extreme western portion of Nova Scotia, which has exceptionally poor reception and coverage. All the questions that have been asked are from one angle, the applications made by the broadcasting stations. Now, have you or the Corporation taken any steps to assist that particular section, so that they may receive better coverage, by suggesting to the privately owned companies that they should increase their wave-lengths?—A. Well, the Nova Scotia situation, sir, is going to be handled this year, I think, to the great satisfaction of the people in Nova Scotia. Two things are going to take place there. While I have been a very happy visitor to that country, I am not sure of the geography of the country. I may be talking of the east and you the west.

Q. I will say "Yarmouth."—A. We have decided, as I announced last Friday, to build wire facilities in the Yarmouth district, because we realize that is one section of the country that has not been getting Canadian programs. I think I said on Thursday that extension will be made forthwith. We hope it will be only temporary, because we believe that when our new 50,000 watt transmitter is erected in the course of the next few months that it will give Yarmouth first class service.

Q. I wish to thank you for that information. It is along the line that we should expect. We have been very reasonable down there. We have heard some question as to the 50 cents increase, but I think perhaps we have raised fewer protests than any other section of Canada. I am very pleased to have this information that we are going to get that consideration particularly in that section. Of course I come from Halifax and we have fairly good coverage and reception there. But I am dealing with the section around Yarmouth, the extreme western portion. We do not get the coverage we think we should get, and I am very glad to have this information.

By Mr. Factor:

Q. May I ask you a question, Mr. Brockington, in regard to the system the B.B.C. works in connection with local stations. Is the system over there completely owned by the state or have they local stations privately owned?—A. No, sir, the B.B.C. represents complete ownership by an independent corporation set up by the British government. There is a complete absence of commercialism. Broadcasting is arranged, as I understand it, on a basis of national and regional systems, both of which dovetail into each other. You will get far better information about the B.B.C. from Mr. Gladstone Murray who, as you know, has had a distinguished connection with that enterprise.

By Hon. Mr. Lawson:

Q. In your original presentation to the committee I understood you to make the statement that 2,800 Canadian artists, outside of the individuals in orchestras, had been employed by the C.B.C. I was wondering if you meant 2,800 individuals or that there had been 2,800 performances?—A. No; I think I meant 2,800 individuals.

Q. Over what period of time?—A. I think the period of time was during the broadcasting year.

Q. During what?—A. The broadcasting year; but Mr. Murray will give you the details of that, if you do not mind. I am obliged to rely on him for details. I did say this, too, that we put on 1,000 Canadian programs with Canadian artists per month.

[Mr. Leonard W. Brockington, K.C.]

Q. Yes, I heard that. This statement has been very seriously challenged. I want to find out the facts in connection with it. Then, Mr. Brockington, you said that Canada would be able to offer the best consecutive fourteen hours of broadcasting of any of the English-speaking nations. Frankly I could not follow that. Would you mind elucidating just what you meant by that?—A. Well, I meant this, sir, that we are apt to judge American programs, for instance, by their best. We are all apt to judge B.B.C. programs by their best, and people often tend (in our complex of inferiority, which we Canadians sometimes seem to me so inexcusably to display) to compare our worst with somebody else's best. May I predict the prairie situation after the prairie station has been erected. We will be able to put on fourteen hours of uninterrupted broadcasting, which take the cream of sustaining programs, and probably some commercial programs from the United States of America. We shall take many of the best of the B.B.C. programs and then take the best that we can produce in Canada. Now, I submit with the variety of the best of three civilizations being regularly broadcast for fourteen hours a day it will be the best broadcasting in the English-speaking world. Now, even to-day you may be surprised to know, if you come to listen to American stations all day long, while they reach the heights in some programs, they reach the depths in others, and I am continually being told by American gentlemen from the border, those who travel along the border and who live in the United States, that even to-day they derive greater pleasure from listening to continuous broadcasting from Canada than they do to continuous broadcasting from their stations in United States of America. As I said, I may be a visionary, an optimist, but I really believe and do give as my considered opinion that when this Canadian Broadcasting Corporation is functioning as fully as it hopes to function, when it has made these arrangements for improved listening, with its own improved and extended programs and the high-class importations from the other two civilizations, Canadian broadcasting service will not be excelled in the English-speaking world.

Q. In other words, that is what you had in mind when you were speaking of your vision of the future for Canadian broadcasting?—A. And in the very near future at that.

Q. I should like to touch on one other point. You stated that the policy of the C.B.C. at the moment was to obtain \$500,000 in revenue from these United States advertising on commercial programs?—A. No, I did not.

Q. Excuse me, from both Canada and the United States?—A. Yes; both on our networks and local combined.

Q. Right. Having regard to the commissions which must be paid for procuring advertising programs, what is the estimate of the board of governors as to the gross amount which they must receive to realize that net of \$500,000?—A. Well, of course, the commissions are not the only items. You will have that in mind. Mr. Murray will give the actual figures; although I think he indicated to us that to get a net revenue of \$500,000, we needed a gross revenue of about \$700,000.

Q. \$700,000?—A. Yes, I think so.

Q. For the time being, the policy of the C.B.C. is to obtain a gross revenue of \$700,000. Then, Mr. Brockington, you made a statement that it was the settled policy of the C.B.C. to discontinue taking these commercial programs, and then to discontinue advertising over the air when you had revenue available from some other sources?—A. Yes.

Q. Am I correct in that?—A. That is the ultimate policy. We hope to eliminate commercialism from our stations.

Q. Yes. I understood you to make the further statement—and it would seem obviously correct—that when you could obtain revenue from some other sources you would do that; that would be right?—A. Yes. My answer to that question is yes. But may I explain this—because perhaps I did not make it

quite clear to the committee—we must not imagine that the only advantage that you get from commercial programs is the direct revenue that you receive from them. As I see it, there is a triple advantage that we get from, say, the large programs originating in the United States at the present time. We get, first of all, a revenue; secondly, we get a high standard of entertainment; and thirdly, we get the occupation of broadcasting time. If the C.B.C. had to build programs to fill these intervals it would involve very considerable expense upon us which we are not now able to afford, especially if we are to reach the standard or begin to reach the standard afforded in the main by the entertainment which fills those hours. In other words, therefore, while the direct financial advantage to the corporation from these programs is limited, there are two other indirect advantages, namely, the occupation of broadcasting time which would cost us a lot of money to fill; and, secondly, the entertainment advantage which is not the least of the attractions of some of the importations which we have recently made.

Q. At the moment, it is not my purpose to consider the advantages or the disadvantages of taking commercial programs.—A. No.

Q. I am simply trying to deal with another aspect of the matter.—A. Yes.

Q. In view of your answer of “yes” to my former question, can you suggest to me and to this committee at this time any other source of revenue which can ultimately replace the \$700,000, other than increase licensed fees for radio receiving sets?—A. Yes, I can.

Q. Other than government grants?—A. Yes. Perhaps my mental processes are a little slow this morning and my logic a little confused, but I should like, if you would allow me, in answering that question, to put on record a statement which I intended to put on this morning, and which I think is in direct answer—at least, the moral of it is in direct answer to what you have said. Will you please recall my remarks on the opening day—I quoted what somebody said in parliament, and that the air was the last part of the public domain that had not yet been alienated. I also said that the occupation of that part of the public domain by private stations was in large measure the occupation of public property by private interests without remuneration to the state. At the present time there are two major rights still remaining to be allotted. This corporation or the government will be called upon to determine whether it will retain or whether it will alienate them or on what terms. Those rights are television and facsimile. For the benefit of the gentlemen who were not here on the first day, I may say that television, as you know, is the right to transmit by means of Hertzian waves visual objects in the shape of pictures or the actual happening of events. Broadcasting in that form of entertainment and instruction has reached considerable standards in England at the present time and no doubt is imminent the world over. There is the further franchise of facsimile which, as I understand it, is the printing of some form of newspapers through the medium of radio. That is a very important right and is much nearer than you may imagine. This country has alienated some of these broadcasting rights in radio programs. It has alienated none of its television rights; it has alienated none of its facsimile rights; and as far as this corporation is concerned, it will alienate none of these latter two at present. With reference to the alienation of radio as we know it, the licences were granted originally to radio stations for experimental purposes. There has gradually grown up, as I said, a vested right that grew out of an invested right. But at the moment the licences that are paid by some private radio stations are ridiculously small, in comparison with the profits they make. At the moment all radio stations in Canada pay \$50 a year for broadcasting rights, irrespective of power used or population covered. I am advised that there are private stations in some of the more populous centres in this dominion that have long since paid off any capital investment and that are now making

[Mr. Leonard W. Brockington, K.C.]

as much as \$100,000 a year from the occupation by them of the public domain. I think the continuation of that position is ridiculous. At the present time, I have been asked by my fellow governors to prepare a formula for the dominion government, looking to a new form of licensing of the occupation of the public air by private interests, based upon a combination perhaps of both wattage and population. We are looking forward to the time when some of these large private stations which are doing so well out of the Canadian air will be invited to make some contribution to the betterment of listening in isolated and lonely districts throughout the country. Added to the maintenance in the right of the state of what remains of the air, what remains of television and what remains of facsimile, I think we can look forward also to a gradual increase in the number of licences—in the number of radio sets. After all, the dominion of Canada, of all the countries in the world, has not reached the saturation point either in population or in radio use. I think that while optimism may be an easy creed, we would be pessimistically foolish if we did not estimate a growth in Canada both of population, of listening and of radio sets. I look forward in a few years to a very considerable improvement then in the financial position of national radio by reason, first of all, of the retention in the state and the possible disposal by it of rights for considerable sums of money of television and facsimile rights; and secondly, by reason of the fact of the natural growth both of our population and of our listening facilities.

Q. Then I may take it that, leaving aside the feature of radio receiving set licenses and government grants, you envisage as a substitute for this \$700,000 increased licence fees to be paid by radio broadcasting stations?—A. That is certainly one thing, yes.

Q. I think in your presentation you told us that there were now seventy private stations left in Canada?—A. Seventy-two, I think.

Q. I beg your pardon?—A. Seventy-two, I think.

Q. Let me take seventy, for the sake of a round number?—A. Yes.

Q. If there were seventy, and if the amount to be found is \$700,000, that would mean \$10,000 a year a licence, on the average, from each private radio station, would it not?—A. You would not imagine for a moment that anybody would suggest, we will say, that a licence fee for a 100 watt station in Chilliwack, which is probably not returning to its operator anything, is going to be increased substantially from \$50. I am not estimating the amount that can be obtained from an increase in broadcasting licences from private stations, because the last meeting of the board of governors, was the first time when it was seriously considered. But I do say this, that if there are certain private stations as I understand there are in the populous centres of this dominion, private stations I may say which I am informed have had the effrontery to constitute themselves part of the spear-head of attack upon the attempt of the Canadian Broadcasting Corporation to provide the listeners in less-populous and isolated places with an extension of program or listening opportunities if there are those stations which are making anything approaching the amounts of money I have heard they have made from the occupation of the Canadian air upon payment of a licence fee of \$50, I think the time is long overdue when they should be asked to make a far greater contribution towards this national service.

By Mr. Edwards:

Q. Mr. Brockington, are you reasonably sure that anything like that has been done by the stations?—A. Yes.

By Hon. Mr. Lawson:

Q. If I may go back to my question, I am not suggesting anything. I am trying to satisfy my own mind as to the extent to which I can place some degree of accuracy upon your vision. It may be that your vision is an excellent

one. I do not know. But let us consider it from another aspect. You yourself agree with me apparently that the \$700,000, if we were to cut out all advertising, can come from two sources apparently at the moment; one is increased licence fees on the private broadcasting stations and the other, apparently, in your viewpoint, is the increased number of radio receiving sets in use in Canada?—A. Yes; and there was one third item there.

Q. The possibility of revenue from television?—A. Or facsimile; right.

Q. Or facsimile, yes. I presume, Mr. Brockington, with your wide knowledge, you know that television has been an accomplished fact in England for some years?—A. Within, I believe, small areas or small radii, yes, sir.

Q. By wires?—A. Yes.

Q. In other words, carried on a wire into the homes, and not projected into the air in ether waves?—A. Yes.

Q. Do you conscientiously feel we are going to have any broadcasting of television in any major centres within the next ten years in this country?—A. Do I feel so?

Q. Yes, do you?—A. Well, in Canada?

Q. Yes, in Canada?—A. I would think there would be a possibility, a good possibility, yes.

Q. So that it will be a substantial source of revenue for the C.B.C.?—A. I would think so, yes. If you mean the broadcasting of television in large centres in Canada, it could be undertaken to-morrow; with what financial success, I am not prepared to say at the moment.

Q. It would entail the expenditure of an enormous amount of capital?—A. Yes.

Q. That is so, is it not?—A. I think it is an expensive business at the moment, yes, sir.

Q. So that we pretty well have to come down to calculating how this \$700,000 can be made up, first, by the extent to which private broadcasting station licence fees can be increased?—A. Yes.

Q. On some wattage basis?—A. Yes and population basis.

Q. And to the extent to which the number of radio receiving sets in Canada can be increased?—A. Yes.

Q. Over a period of the next number of years?—A. Yes.

Q. Those are the only sources of revenue you can suggest in substitution for this \$700,000?—A. Apart from money grants which might be made from any other sources.

Q. Yes, I am leaving aside government grants.—A. Yes, or an indirect tax on tubes or things of that nature which have been occasionally suggested.

By Mr. Edwards:

Q. Mr. Brockington, I have been trying to figure out just why the Canadian Broadcasting Corporation is so desirous of cutting out advertising entirely.—Is there any very serious objection from any source as to the amount of advertising you are carrying? I never thought that objectionable?—A. I do not think there is any great objection to the amount we now carry. I will put it this way, sir. There are two schools of thought, as I see it: one that does not care how much advertising there is and the other that does not want any. Really perhaps there are three schools. There is the middle school which approves of the middle cause we now pursue. What we are doing at the moment is this; we believe that we were created for the purpose of eliminating commercialism as far as it can be eliminated from national broadcasting in Canada. We believed that if we were to occupy a temporary compromise position, the middle position which we have now accepted, we would be carrying out the purpose for which we were created. We have therefore tried to do this. We have tried to take as little commercialism as is necessary to enable us to carry out the duties for which we have been instituted. But we have

[Mr. Leonard W. Brockington, K.C.]

determined that insofar as our major commercial programs are concerned, they will reach a high standard of entertainment which will bring pleasure to our citizens. I look forward to the time, and I think it is gradually coming, when commercial programs will be institutional rather than advertising. You understand what an institutional program is and I think gradually you will find that public taste the world over, the continent over, will demand an approximation of present commercial programs to an institutional basis, we are looking forward to that kind of thing happening. But, in the meantime, the C.B.C. in its commercial programs is taking no more than it needs, no less than it needs, and is doing its best to maintain a balance of entertainment that fits in with our conception of good broadcasting.

Mr. EDWARDS: The point that I wished to make is that I do not see how anyone could take exception to a reasonable amount of cleverly-worded advertising on the radio. Personally, I think with regard to some of our largest magazines, those with the largest circulation—the Saturday Evening Post, the Ladies Home Journal—the cleverest part of the whole thing is the advertising; and the highest paid men in the service are the advertising experts. It does seem to me that if you are going to bring it down to a minimum or bring it down very much below where you are now, you will have to get your revenue from other sources—perhaps from increased licences or from grants from the government or so forth. So I do not see why the governors are decided upon cutting that down below a certain point. I think it is good business.

By Mr. Johnston:

Q. Mr. Brockington, you said that there were two or three schools of thought. I was wondering what class of people were represented by those schools of thought, especially in the sense we are just talking of now. What class of people, rather than using the term "school of thought", is against the C.B.C. using commercial programs? I just wanted to get that plain. "Schools of thought", I assume applies to classes of people. Personally, I think that the C.B.C. should use commercial programs to probably a greater degree than they are, rather than taxing the people in the form of larger radio fees. I am concerned now as to what class of people it is who object to the increase of these commercial programs?—A. I noted instances of such classes but I do not propose to identify them because I think it would be impossible to identify public opinion, especially in such a varied country as this. I may say that I belong, if you like, to that class that does not want to see any increase in commercialism on the Canadian air; because I think that the purposes for which we were formed the functions which we can perform and the idealism which can and should lead us to the lasting benefit of this country are not associated with commercialism on the air.

Q. That class of people which would be strongly in favour of the C.B.C. not participating in commercial programs would be, no doubt, the class of people who were deriving financial benefits from that particular source?—A. Would you mind saying that again?

Q. I was suggesting that possibly the class of people who are objecting most strongly to the C.B.C. raising their revenue by means of commercial programs would be that class of people which gained their finances from that very source?—A. Well, I have not the slightest—

Q. Newspapers and magazines?—A. I have not the slightest doubt that some newspapers and some magazines look with horror upon the increase of commercial broadcasting. But I can tell you, sir, that as far as we are concerned it is a mere coincidence that the private interests of those magazines happen to fall in with our conception of the public interest; I do not care, personally, what the newspapers or the magazines think. It is clear, however, that too much commercial broadcasting does prevent intelligent and desirable program build-

ing. After all, national radio in Canada was set up to be a vital spiritual, cultural and educational force in the life of the people of this dominion. It was looked upon as a reconciling, a healing and a unifying force. The statesmen who initiated this system hoped that it would bring all kinds of enlightenment and entertainment to all kinds of people; and, personally, it seems to me that those ideals will at least be rendered more difficult of attainment if we enlarge the commercial aspect of national broadcasting. I should perhaps speak at length on this subject. I have tried to put our attitude in a few succinct words. That is the view of the board of governors of this broadcasting corporation.

Q. You spoke a moment ago of Canadian broadcasts being so much superior to any other English-speaking nation in the world, that you are going to take the cream from the different stations, from the different countries and put them over the C.B.C.?—A. Yes. I said that in the near future Canadian broadcasts would not be excellent for that reason.

Q. If you intend to carry the best type of American broadcasting, if you are going to take in the commercial field, are you not going to be obliged to pay the American stations for using those programs? You would have to, would you not?—A. For the use of the programs?

Q. If you took any program from the American stations and rebroadcast it over the Canadian stations, you would be compelled to pay a certain revenue for it, would you not?—A. I do not think for the sustaining programs. In any event,—we are not proposing to eliminate the programs, commercial programs, that we are at the moment bringing in from the United States, for some considerable time to come, as far as I know. As I indicated in an address over the air, as long as their entertainment value is as high as it is, as long as they are built on the type of humour our people like, it might be possible and might be advisable never to eliminate the programs, even if you do eliminate the advertising them. All we want to do, as I have said before, is to make the Canadian listener happy. We think the poor man and the rich man, the educated man and the uneducated man are entitled to receive from Canadian radio the services which they enjoy, and we propose by means of variety, both from home and abroad, from England and the United States, to do our best to give them the opportunity for enjoyment and enlightenment to which we think they are entitled.

Mr. JOHNSON: I think, Mr. Chairman, as far as the people of Canada are concerned, that is the proper attitude to take, that the C.B.C. should be for the entertainment and service of the common people. But I have one question which I would like to ask Mr. Brockington: Does he think there is any chance at all of fees being raised higher than they are now in the next few years?

The WITNESS: The Aird report recommended a licence fee of \$3. We think we can function, as I think I told you, on a licence fee of \$2.50, with these various implications of legitimate additional revenues which I have indicated. We think we shall be able to continue to progress, with the erection of the new stations and certain adjustments of local listening handicaps, and give the people of Canada good service.

By Mr. Johnson:

Q. With \$2.50?—A. Yes. Nobody should be asked to prophesy as to what may happen three or four or five years from now. I do not know. But I feel certain that the elements of credit and the elements of revenue to which I have referred will enable us to strengthen our position.

By Mr. MacMillan:

Q. How much does it cost to collect the \$700,000?—A. Well, I think I indicated that \$500,000 net probably needed a gross of \$700,000. I am not [Mr. Leonard W. Brockington, K.C.]

quite sure. I would much rather you would ask Mr. Murray that question, because he is familiar with it; all I can do is to rely on my memory which is not always accurate.

Hon. Mr. HOWE: \$200,000 is not the cost of collection.

The WITNESS: Well, I explained to the committee there were the cost of a commercial department and a lot of other matters. I do not know what the expenses are.

Mr. EDWARDS: It is just the same exactly, is it not, as placing advertising with an advertising agency, and the advertising agency collects from the newspapers, and you get the same rate exactly?

By Mr. Bouchard:

Q. If you collect that money from the licences or from the other sources, from the private stations, do you think it will amount to the same remuneration? For instance, Mr. Lawson assumed you were to collect \$700,000; but in fact it is \$500,000 net revenue that you want?—A. Yes.

Q. If you get this from advertising, I understand that you have to pay so much for commission?—A. Yes.

Q. But if you get it from the licence fees, which is taken care of by the commission themselves, and from the private stations, I do not see that the \$700,000 is needed but only \$500,000 because it will be a net revenue; so that the assumption made by Mr. Lawson is, to my mind, not correct.

Hon. Mr. LAWSON: Revise it on a basis of \$500,000.

Mr. BOUCHARD: Yes.

Hon. Mr. LAWSON: You would still have to get average licence fees of, roughly, \$800,000.

Mr. JOHNSON: He did not say he was going to get it all from that source.

Hon. Mr. LAWSON: I am trying out the possibilities. For my friend Mr. Johnson's benefit, and for the committee's, I have been making another little rapid calculation. I would like Mr. Brockington to follow it with me. Let me assume that one-half of the substituted revenue is to come from increased licence fees of the broadcasting stations and the other half from the normal increase which Mr. Brockington suggests in the number of radio receiving sets in Canada. On that basis, if I split that in half, we have approximately one million licenced receiving sets—I think the figures are 1,480,000, to be accurate, for last year—as against a population of 11,500,000. In other words, the ratio of licences issued to population is about one to eleven and a half. If you make a calculation based on that, in order to have enough additional licenced radio receiving sets at \$2.50 per licence to make up one-half of what you are going to lose from advertising, I calculate, roughly, the population of Canada would have to increase 1,540,000. Between the decennial census of 1921 and 1931 we did not have that great an increase in population. Therefore, I suggest to you that your vision of the revenue from licence fees is rather far in the future, unless the government is going to change its immigration policy or something of that kind.

Mr. BOUCHARD: I do not think it is in proportion to the increase in population; because I know a great proportion in my constituency who have no radio and are very anxious to get one when conditions have been improved so that you can get a cheaper radio. For instance, many of the farmers have not electricity and so on. Without increasing the population at all, I am sure that in the next few years the number of radio receiving sets will be naturally increased. I think that is a fair assumption.

Hon. Mr. LAWSON: My assumption is they are going to be decreased by reason of the increased license fee. Tremendous numbers of people are going to abandon their sets.

Mr. FACTOR: We are all laughing at you.

Hon. Mr. LAWSON: You will not laugh when you go back to your constituencies.

Mr. BERTRAND: We have got to keep in mind that Mr. Lawson should be good at calculating revenue, because he was our National Revenue Minister at one time.

Hon. Mr. LAWSON: The trouble was that I always over-calculated.

Mr. TURGEON: You are making up for that now.

The CHAIRMAN: Gentlemen, have you any further questions to ask Mr. Brockington?

By Mr. Dupuis:

Q. Do I understand, Mr. Brockington, that the intention of the C.B.C. is to eliminate altogether the commercial programs?—A. I said, sir, that the ultimate hope of the Canadian Broadcasting Corporation is that commercialism will be eliminated from its national networks. When that hope will be realized it is impossible for me to say. All I know is—all I say at the moment is that we have attempted what we believe to be a reasonable compromise position and that we shall work steadily towards our end. May I just say this with reference to the Canadian Broadcasting Corporation: We are in a state of transition; we are in a state of growth. I said at the beginning that there are local irritations which can be eliminated; there are, no doubt, errors that are being made. Experience will teach us as it has taught others. But it is completely unfair to try to judge effort and achievement at the moment on a basis of a finished product. As I gave an illustration to a friend of mine the other day, it is as though you asked a sculptor to make a bust. He takes an amorphous piece of clay and puts in one eye, one ear, and one mouth. Then somebody comes to him next day and says, "I am not going to take that bust because I do not recognize nor like the likeness." That is just the position we are in. I cannot tell you when things will take final form. All I do assure you is that we have a high regard for our trust and we are doing our best to bring about the achievement of the national ideals which we were created to maintain. But if you ask me to prophesy as to dates or give information of that kind, I cannot do it. All I do tell you is that we are well on the way and determined to see that the Canadian listeners in ever-increasing numbers will listen to programs which will bring them pleasure.

Mr. DUPUIS: Speaking for the public, Mr. Chairman, I think a fair proportion—

Hon. Mr. LAWSON: You are doing that?

Mr. DUPUIS: I understand Mr. Brockington spoke for certain classes of people or schools of thought. I was speaking for the public. I believe that a fair and reasonable proportion of the advertising is good and very useful in the household. I think it would be good to bear that in mind; and also that sometimes some of the people do not read the paper or do not receive it, and they are very much interested. The wives and children are interested in having some of that good advertising, especially on radio programs.

The WITNESS: Mr. Dupuis, you understand always that if private stations are allowed to function in the localities in which they exist, there will always be the kind of advertising you say your household likes. There is no intention, as far as I know, to eliminate advertising from private stations. That would be impossible.

Mr. DUPUIS: No. I thought you had in mind eliminating also private stations.

The WITNESS: No. I never said that.

[Mr. Leonard W. Brockington, K.C.]

By Mr. MacLean:

Q. It might not be in the best interests of the country to have too ambitious a program?—A. Quite so. That is why we have tried to make ours moderate.

Q. If public ownership is demanding too much, I do not think it would be wise to cater to all the public demands.—A. I do not know whether you did me the honour of either listening when I spoke on the air, or of reading my speech, but I did use one phrase that I would like to use once again, namely, that the Canadian Broadcasting Corporation is not set up for profit; nor, I might mention, is it set up for loss.

Mr. DUPUIS: May I ask if the answers to the questions put by members of this committee are going to be available?

The CHAIRMAN: As soon as Mr. Gladstone Murray is on the stand, the information will be available.

Mr. DUPUIS: Will they be verbally answered? There are some questions there that involve a considerable length of time.

The CHAIRMAN: I think if we leave that now, Mr. Gladstone Murray will deal with it. I would like to ask Mr. Brockington a question or two.

By the Chairman:

Q. Mr. Brockington, you broadcast Canadian programs over United States stations?—A. Yes.

By Hon. Mr. Lawson:

Q. Four and a half hours a week?—A. Mr. Murray will give you accurate and comparative figures.

By the Chairman:

Q. What reaction do you get from the United States in regard to Canadian broadcasts of the Canadian programs broadcast in the United States?—A. I think they are very acceptable to their people. As I told the committee just now, I get, personally, considerable evidence of the pleasure that Americans take in our programs which are directly broadcast and also those which are not directly broadcast in the United States. We hope to be able to broadcast more of our cultural programs. Some of you may take as a matter of interest that announcement in the press the other day, that Mr. Murray has just completed arrangements with the National Broadcasting Company to take a series of programs of the Toronto Symphony next Fall. I have seen expressions of appreciation from the N.B.C. and others of the programs which they have received and I have no reason to believe that Canadian offerings are not acceptable to the United States.

Q. There is no fear in the United States of their becoming Canadianized—I mean, fear in the American mind of becoming Canadianized by listening to Canadian programs?—A. I am so devoted to Canada that, if the Americans did become a little Canadianized, I think it would be a good thing.

By Hon. Mr. Lawson:

Q. On that subject which you are now on, I noticed somewhere a while ago a clipping to the effect that we were taking from the United States, weekly, thirty-four hours of their programs and they were taking from us four and a half hours. Is that a fair representation as to the proportion?—A. I cannot give you the figures. Mr. Murray will give them to you if you ask him; but I do not think that is the proportion.

Q. It purported to give what they were taking from us and what we were taking from them, what Great Britain was taking from us, what we were taking from them, and I was wondering if that was correct?—A. Would you ask Mr. Murray about that, and he will give you the figures.

The CHAIRMAN: Are there any further questions to be asked of Mr. Brockington? If not, he may retire.

The WITNESS: Mr. Chairman, might I be permitted to thank this committee more than I can say adequately in words for the very kind consideration and courtesy that every member here has shown me.

Mr. FACTOR: You are flattering us.

The WITNESS: No, I am not.

Mr. DUPUIS: Before Mr. Brockington is through, I would like to say that members from Quebec have received a complaint from a certain organization that alcoholic liquor advertisements were prohibited all over the country except in Quebec. I would like to hear something on that point.

The CHAIRMAN: May I suggest that we have here to-day Mr. Rene Morin who is one of the board of governors from the province of Quebec. Shall we leave that question to him?

The WITNESS: I will answer it for you.

The CHAIRMAN: All right.

Hon. Mr. LAWSON: The law prohibits it in the other provinces.

The WITNESS: Our regulations with reference to advertising of beer and wine—I am going to read them to you—are in addition to our own internal rules. The Canadian Broadcasting Corporation takes none on its own networks nor on its stations. With reference to the advertising of these matters in other provinces, as Mr. Lawson properly points out, the position of the different provinces varies, by provincial law. At the moment, a tentative system was evolved to try and meet a formula. We certainly were not going to force or attempt to force upon any province whose laws prohibited advertising of that kind, any such advertising. We felt, however, that in any province that did not prohibit it, the position might be difficult and that there was some danger perhaps of hurting the pride that is taken in local autonomy by imposing regulations from this corporation which deprive men of doing things which by the law of their province they have the right to do. On the other hand, the matter is not finally settled, and at the last meeting of the board of governors Mr. Murray and I were asked to try to see some of the Quebec provincial officials in order to find out exactly what their position is. I may say that the board is anxious to eliminate that form of advertising from all stations and from all localities, but the situation in some parts of Canada is difficult. Therefore, we prohibited the advertising of spirituous liquors, or beer or wine upon our own networks and upon our own stations and this is the regulation that we have drafted to meet local conditions:

(1) In any program no one shall advertise

(f) wine and beer in any province of Canada wherein the provincial law prohibits the direct advertisement of wine and beer, nor in any other province unless immediately prior to the coming into force of these regulations wine and beer have in fact been directly advertised in such province through the facilities of the radio.

(2) Whenever wine and beer are advertised through radio facilities, the following special regulations shall apply:—

(a) No spot announcements shall be used for the direct or indirect advertisement of wine or beer;

(b) All continuities in programs, directly or indirectly advertising wine or beer shall, prior to their broadcast, be approved by the corporation as to the continuity and the form, quantity and quality of the advertising content thereof.

[Mr. Leonard W. Brockington, K.C.]

By Mr. Bertrand:

Q. When you said quantity and quality Mr. Brockington you meant of the advertising?—A. Of the advertising, not of the liquor, yes.

Mr. Chairman, I would like to reiterate what I was about to say, that I am particularly grateful to this committee for their courtesy and their consideration. I know that their deliberations are going to be helpful to us; and as I said at the beginning, I hope our presence will have been helpful to them. We all, I am sure, want to make Canadian radio a national success and a permanent contribution to the happiness of our people. It is because of that fact that the governors of this corporation have accepted office; and because we believe that you also believe it, we shall look forward with hope to encouragement from the report which you will present to Parliament. I thank you very much.

The CHAIRMAN: I am sure I am expressing the views of the members of the committee when I say to you that we are very thankful to you for the information that you gave us and the knowledge which we have acquired through your expression of opinion here with regard to radio broadcasting in Canada, and I extend to you my sincere thanks and the thanks of the committee.

The WITNESS: Thank you very much.

(Witness retired.)

The CHAIRMAN: We have with us, gentlemen, Mr. René Morin, if anybody wishes to ask him any questions. Mr. Morin would like to get away this afternoon, if possible. If there are no questions to be asked of Mr. Morin, we will call on Mr. Murray.

Mr. DUPUIS: There were some questions at the last sitting of this committee which you, Mr. Chairman, thought it would be proper to ask Mr. Murray.

The CHAIRMAN: I think it was Mr. Martin that made that statement, but he is not here.

Mr. AHEARN: Was there not something that the French Canadian members of the committee wanted to ask him?

The CHAIRMAN: It is up to you; it is for the members of the committee to say. Is it your pleasure that Mr. Morin should be on the stand?

Mr. BOUCHARD: Yes, sir. Carried.

The CHAIRMAN: Then I will ask Mr. Morin to take the chair.

RENE MORIN, called.

The CHAIRMAN: I might say that Mr. Rene Morin is chairman of the finance committee of the Canadian Broadcasting Corporation and also was a very worthy member of this House for many years.

Hon. Mr. LAWSON: We sympathize with him.

Mr. TURGEON: I suppose you have been a member of committees, Mr. Morin?

The WITNESS: Yes. I had that honor.

Mr. TURGEON: You will understand us.

Mr. FACTOR: Is this a pretty average committee?

The WITNESS: Better than the average.

The CHAIRMAN: Now, gentlemen, if you will proceed, we will get on. Is there anyone who wishes to ask any question of Mr. Morin?

By Mr. Bertrand:

Q. Mr. Morin, I sent some questions to the president before in connection with spot advertising. Have you got those questions here or who is going to answer?

The CHAIRMAN: I think Mr. Murray has that all pretty well prepared.

By Mr. Bertrand:

Q. Have you received any complaints, especially in the district of Montreal, about certain spot advertisements?—A. Well, sir, I have heard criticism of the spot advertisements made by certain private stations. The complaint was that there were too many of them. We are trying gradually to eliminate them and we are doing our best, I think, to induce the private stations to cut them off as much as possible. We made regulations on the point and we are endeavouring to have the private stations live up to those regulations.

Hon. Mr. LAWSON: I would like to ask a question of Mr. Morin, as chairman of the finance committee.

By hon. Mr. Lawson:

Q. Mr. Morin, the last figures which I have seen, or the last balance sheet, with respect to the activities of the Canadian Broadcasting Corporation is as of March 31, 1937. Would it be possible for you to let us have a statement, before the committee ultimately adjourns, of the financial position as of March 31, 1938—assuming the committee is going to sit into May; we will be away for two weeks of April?—A. Those figures are practically available. They are available until the 28th of February, which is only one month short of the old year.

Q. So I anticipate that by the time the House comes back after recess, around the 25th of April, you can let us have them up to the end of the fiscal year—March 31, 1938?—A. No doubt it will be possible.

Q. Thank you.—A. We already have a very fair idea of what the results of the operations of the year will be.

The CHAIRMAN: I may say in that regard, Mr. Lawson, I think you will find when Mr. Murray gets on the stand you will be able to get that information almost up to date.

Hon. Mr. LAWSON: Thank you.

By Mr. Dupuis:

Q. Mr. Morin, can you tell the committee in what way the artists in each broadcasting station are paid? Are they paid by the local managers of the stations or are they paid direct from the head office in Ottawa?—A. I believe that at first they were paid from Ottawa, but after the policy was changed and the local stations make the payment of the artist directly from the station, and as quickly as possible.

Q. Do I undersand that you send a cheque covering all expenses for that station?—A. That is my impression.

Q. Well, now, the finance committee controls the expenses of that local station, and do they send a lump sum to each station?—A. Well, it is merely a matter of auditing the books. It is done by the internal organization, certainly not by the finance committee. The finance committee prepares a budget for the year and attributes a certain amount to cover the expenditures of administration in Ottawa, the expenditures of the administration in each station, the amount available for programs in each station per week, and these stations have go to stand by or live within the amount which is attributed to them.

Q. Suppose I want to control what has been actually paid to a musician or a singer in Toronto for a certain performance, what he actually receives and what that station is actually receiving back to reimburse it for the payment of the artist. Is it possible to control that?—A. Yes, certainly, by applying to the head office in Ottawa here.

[Mr. René Morin, N.P.]

Q. Is the artist bound to give a receipt if he receives money, or is it paid by cheque?—A. I think they are paid by cheque, and I assume they must also give receipts.

Q. Are these receipts sent to the head office in Ottawa?—A. I suppose they are.

Q. To make the point clear, I have received a large number of complaints from artists. Of course, they are confidential. They do not want their names to come out; they do not want to lose their jobs. They say that they are paid a certain amount of money for each performance, and they have to give back a certain commission to the one in charge of the station, otherwise they would lose their jobs. I think that should be cleared up, if it is true. A thorough investigation should be made and that kind of thing stopped.—A. Mr. Dupuis, a thorough investigation was made in Montreal where the same accusations were brought out, and we came to the conclusion that the accusations were ill-founded, without foundation, absolutely untrue, and we have not been able to discover anything which may justify the accusations except the jealousies which exist between the artists.

Q. I received complaints from other parts of the country besides Montreal. Did your investigation cover all the stations?—A. Well, the report that I had applied merely to Montreal, where I happened to be.

Q. I have a specific case in mind. The artist said he was paid, let us say, \$50, and that his claim was \$75. This artist refused \$50 and came to Ottawa and found \$75 had been awarded to him.—A. Well, if such a thing happens and it comes to our knowledge the officer who is responsible for it will get out at once.

Q. I know, Mr. Morin.—A. Without more than an hour's notice.

Q. I think it is necessary to clear up these questions, if such abuses are going on, and that is why I asked the question. At any rate we could have the receipts here and the vouchers and cheques, the returned cheques.—A. Give us the information and we will make an investigation and act at once.

The CHAIRMAN: I would suggest, Mr. Dupuis, that if you have any complaints, give them to Mr. Murray or Mr. Frigon and have them investigated. In that way I think you could get much better satisfaction than you could get here.

Mr. DUPUIS: Mr. Chairman, as I say, these artists are afraid of losing their jobs.

Mr. TURGEON: If it is true I do not see any reason why they should lose their jobs.

Mr. BOUCHARD: If it is not true they deserve to lose their jobs. They should come forward and make a direct charge, and should be given the protection of the committee. I am sure if they came to Mr. Morin and intimated to him in confidence the information they have to give, he will take care of it.

Mr. DUPUIS: It was done once. That artist came to Ottawa and she was paid. I do not know what they did to the officer in charge, though.

The CHAIRMAN: I may say for the information of the committee I received a letter from a certain person giving a terrible reputation to an artist, and she ended her letter by saying it was her husband.

Mr. DUPUIS: That is far back.

The CHAIRMAN: If there are no other questions of Mr. Morin we shall dispense with him.

Hon. Mr. LAWSON: I should like to ask Mr. Morin something, if he has it available.

By Hon. Mr. Lawson:

Q. Mr. Brockington in his evidence, Mr. Morin, gave us the division of the total expenditure of the Canadian Broadcasting Corporation, and its predecessor as of March 31, 1936 and March 31, 1938, allocated in percentages to administration, programs and line charges. Have you available the actual figures rather than the percentages as of those dates, or shall we get it from Mr. Murray?

Mr. BROCKINGTON: May I just say the figures were presented to me, and Mr. Murray has them. I do not think Mr. Morin has them.

Hon. Mr. LAWSON: All right; we shall get them from Mr. Murray.

By Mr. Bertrand:

Q. Mr. Morin, I should like to ask you in regard to the payment of artists: I suppose it is left to the manager of the station to say how much he is willing to pay for these artists? There is no rule?—A. There is a rule, certainly, as to musicians. Now, there is a general practice to the effect that a certain honorarium or fee will be paid for a certain kind of work; but there are certainly special cases, I assume, where the fee will be arranged or decided by the local station manager.

Q. When an artist comes to the manager of the station in order to be engaged, is that artist tried out every time? When an artist wants to get an engagement from the Corporation do they come here to be tried out?

The CHAIRMAN: Why here?

Mr. BERTRAND: There has been quite a lot of complaint. I do not say the complaints were founded but some say they could not be tried.

The WITNESS: I think we have taken the stand that the Canadian Broadcasting Corporation is not a public welfare institution.

Mr. BOUCHARD: Hear, hear.

The WITNESS: We have to engage a certain number of artists, but we cannot afford to engage all those who aspire to come before the C.B.C. If we want to have good musicians we have got to engage them fairly regularly. If they are not engaged regularly, and if our engagements are spread amongst the musicians, none of them will be satisfied, and as many of them as will be able to do so will leave our employment to go and find some means of earning their living elsewhere.

By the Chairman:

Q. And your programs would suffer?—A. Our programs would suffer. Certain artists are engaged, I acknowledge, more often than others; but I think it is a necessity. We are not in a position to engage all those who are willing to offer their services, or believe that they have the qualifications necessary to give an interesting program. We must make a choice and that choice is left to the local manager of the station.

By Mr. Dupuis:

Q. Would you be able to produce to this committee a list of the artists who are regularly engaged?—A. You can get that.

Q. For each station?—A. You can get that information from the manager, from Mr. Murray.

Q. I see. Now, Mr. Chairman, in view of the questions put by Mr. Lawson, I should like to know this. His seventh question seems to go into the field of the administration of the other radio commission, and he says: "I desire to know the number of employees, other than artists, who are paid on a permanent basis, which the Canadian Radio Broadcasting Commission had on the date of its

[Mr. René Morin, N.P.]

abolition." Is it within the province of this committee to go back to the administration of the old commission?

The CHAIRMAN: Mr. Dupuis, might I suggest that we leave that until we come to it when Mr. Murray is on the stand. Do you not think it would be advisable to do that?

Hon. Mr. LAWSON: If there is any question about it, I will change it to the date that this Canadian Broadcasting Corporation took office; it is the same period of time.

The CHAIRMAN: I think we had better leave that until Mr. Murray is on the stand. As I intimated to Mr. Dupuis at our last meeting, these questions were all sent to me, as it was agreed in the first meeting of the committee. They have all been submitted to Mr. Gladstone Murray, and when Mr. Gladstone Murray gets on the stand he will be able to deal with all these things. If it is done in that way I think we will make a great deal more progress than we shall if we deal with the questions now.

Mr. DUPUIS: I thought the Chairman would decide it.

The CHAIRMAN: I think the Chairman will arrive at a decision when the occasion arises. I doubt that we should make any decision before the occasion presents itself.

Mr. JOHNSTON: In any event Mr. Morin has already stated something with regard to the employment of musicians. He said it was necessary to employ them for a comparatively long period of time, otherwise the Corporation would lose their service. That brings to my mind a complaint that was brought to me in the west in regard to this regulation, where they have only a half-hour of electrical transcription between 7.30 and 11 each day. That seems to me to be a very unfair position on the western stations due to the fact, as Mr. Morin stated, that they are not in a position to get this talent. They contend this half-hour should be changed to an hour and a half of electrical transcription per day.

The CHAIRMAN: Mr. Johnston, may I again suggest that that is really internal management of the Broadcasting Corporation, and I think Mr. Murray will be able to deal with that, and in that way we shall make more progress.

Mr. JOHNSTON: I just asked that question in view of the fact that Mr. Morin brought it up. If Mr. Morin would rather that Mr. Murray dealt with it, all right.

The WITNESS: I would rather have Mr. Murray answer that; but I know one thing, that the manager has under consideration an amendment to our regulations enabling certain stations to increase their transcription broadcasts.

Mr. JOHNSTON: That will be quite all right.

The CHAIRMAN: Are there any further questions?

By Mr. Ahearn:

Q. You are the chairman of the finance committee. Did your committee consider the rise, or deal with the rise in licence fees from \$2 to \$2.50, or did you make recommendations?—A. Yes; we wrote a letter to the minister, I think, recommending that the increase be made, because we felt that it was impossible for us to give the additional service which was needed, which we considered essential, without some additional revenue.

By Mr. Johnston:

Q. What was the date on which that letter was sent out?—A. I do not know the date.

Q. Approximately?—A. In January.

Q. The first part or the latter part of January?—A. I do not know the date exactly. It seems to me that we are unaware of the enormous cost of the

organization, and of the operation of the broadcasting system throughout a country like ours.

The CHAIRMAN: I may suggest we will get a copy of the letter. Mr. Murray will produce it.

The WITNESS: You have merely the network which costs us over \$600,000 and which is a necessary service and without which broadcasting would not be possible. You need high powered stations. The cost of operating a high power station is approximately \$100,000 per year. We intend to have four high powered stations when the two, construction of which has been announced, are completed. When they are in operation it will take \$400,000 for the mechanical operation alone. In all of the stations you have to have studios; you have to have artists to give the programs; you have to have the technical operators and it requires an enormous skilled staff, and it all costs a very large amount of money. Then, in certain sections of the country we have to extend our wire service and that is an additional cost which increases our yearly expenditures.

By Mr. Bertrand:

Q. Have you been obliged to build wire extensions amounting to 25 to 50 miles?—A. We do not build the wire extensions; we lease them from the C.N.R. and the C.P.R. companies, and the Bell Telephone Company to some extent.

By Mr. Johnston:

Q. With regard to the letter you wrote to Mr. Howe advocating an increase in the licence fee, was that done by consultation in the full board of governors, or just by the finance committee?—A. I think the full board of governors knew that the increased revenue was necessary. The decision was made merely by the committee.

By Hon. Mr. Lawson:

Q. Mr. Brockington has stated both here and publicly that the board of governors took the responsibility for the recommendation.—A. Yes.

By Mr. Ahearn:

Q. Were any other ideas advanced by your committee as to alternative ways of getting the revenue you wanted? Did you indicate to the minister any other way that you might get it instead of raising the fees 50 cents?—A. The letter will speak for itself. I do not remember its terms well enough to answer that question.

The CHAIRMAN: Are there any other questions?

Mr. TURGEON: I should like to move an expression of thanks to Mr. Morin.

Mr. BOUCHARD: I second it.

The WITNESS: I am very much obliged to you.

The CHAIRMAN: Is it your pleasure that we start with a new witness now?

Mr. FACTOR: Shall we adjourn until next week? We had better start afresh with Mr. Murray.

The CHAIRMAN: We shall not be able to sit to-morrow; to-morrow is a caucus day.

Mr. DUPUIS: Sit this afternoon.

The CHAIRMAN: We have no power to sit while the House is in session, and I doubt if it is desirable to ask for it at the moment. There are quite a few committees sitting. Shall we adjourn until Thursday?

Mr. BERTRAND: I think we should sit in the afternoon as often as possible.

[Mr. René Morin, N.P.]

The CHAIRMAN: I am in the hands of the committee. We have no power yet.

Hon. Mr. LAWSON: I think, Mr. Chairman, that should be left over until the exigencies of the situation may require it. At the present time there are a number of committees sitting, and many members of this committee are members of the other committees. I am on the Banking and Commerce Committee and I have to try to read what goes on there from the evidence. I have never been able to go there because it meets at the same time as this committee. I was in the same position with respect to the Civil Service Committee.

Mr. BERTRAND: Mr. Chairman, the trouble is the hon. members of the opposition are not numerous enough. They have to sit on too many committees.

Hon. Mr. LAWSON: You are right. That situation will be changed before long.

The CHAIRMAN: Is it your wish that we adjourn until Thursday morning at 11 o'clock?

Some Hon. MEMBERS: Yes.

The committee adjourned at 12.40 p.m. to meet on Thursday, March 31, at 11 a.m.

SESSION 1938
HOUSE OF COMMONS

STANDING COMMITTEE
ON
RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, MARCH 31, 1938

WITNESS:

Major W. E. Gladstone Murray, General Manager Canadian Broadcasting Corporation.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 277,

March 31st, 1938.

The select special committee on radio broadcasting met at 11 a.m., the chairman Mr. A. L. Beaubien, presiding.

The CHAIRMAN: Gentlemen, if you will kindly come to order; we have a quorum now.

When we rose on Tuesday I think it was the intention of the committee that we should have Mr. Murray on the stand and he is here to-day at your disposal.

MAJOR W. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, called:

The CHAIRMAN: Now, I would like to ask Major Murray a question. It was insinuated to me the other day that Mr. Murray was not a Canadian.

Hon. Mr. LAWSON: What has that got to do with it?

The CHAIRMAN: Then, if you don't want it cleared up—

Hon. Mr. LAWSON: Don't misunderstand me, please.

Mr. BARBER: May I be permitted to say right now that Major Murray was born in my riding and is well known to me.

The CHAIRMAN: That is fine; and he has a good member. All right, Mr. Murray. Now, there were certain questions handed by Mr. Lawson to Mr. Murray and I understand that Mr. Murray has the answers to those questions ready for us now. Shall we have them, or shall we go on with Mr. Isnor who has some questions to ask Mr. Murray also? Is that your pleasure?

Hon. Mr. LAWSON: It does not matter to me.

The CHAIRMAN: Would you care to ask your questions as you have them and let Mr. Murray answer them?

Hon. Mr. LAWSON: I think mine were pretty much all asking data and information.

By Hon. Mr. Lawson:

Q. Major Murray, a commentator's address was delivered over the radio on Sunday, March 6, by Mr. G. D. Ferguson; have you available an exact copy of that address?—A. Yes, Mr. Chairman; the answer to that is "A" in this folder: Copies of all such commentaries, not normally made available to listeners because of the considerable cost involved, can be procured for those specially interested, such as members of either House of Parliament, on application to the general manager of the C.B.C. That is, on application to my office. I have copies here for distribution to the members of the committee.

Q. If all the data and information I asked for is contained in this brief or folder which has just been handed to members of the committee I have no desire to ask any further question until I have had an opportunity of looking into this.—A. As a matter of fact, it is not all there. Might I run through and explain why it is not there?

Q. If you please. You have before you a list of the things I was interested in?—A. Shall I run over them?

Q. Yes.—A. The first question has been dealt with.

Q. That is the one which relates to Mr. Ferguson's address; is it here?—
A. It has been distributed separately.

By Mr. Factor:

Q. Is that the same address published in brochure or pamphlet form by the Broadcasting Corporation?—A. No, that is another thing.

By Hon. Mr. Lawson:

Q. That is the one there was quite a bit of objection taken to, I think.—
A. The second question asked for the production of all contracts made between any persons or corporations and the Canadian Broadcasting Corporation for sponsored broadcasts from November 1, 1937 to date— *Mar 21/38*

- (a) with computation of aggregate of revenue to be received for time on the air sold to United States advertisers and;
- (b) for time on the air sold to Canadian advertisers.

Now, to produce contracts would not be in accordance with standard business practice, and it is suggested that as in the other case where administrative details and perhaps confidential information of this kind is desired by members of this committee or members of parliament that it is always made available in my office for inspection as confidential information. And for the second part of the question, the answer is given in this folder; that is to say, the aggregate of revenue to be received for time on C.B.C. basic network through United States advertisers between the dates mentioned was \$76,979.54; and for time on C.B.C. basic network sold to Canadian advertisers between the same dates the amount is \$190,301.45.

Q. Excuse me, would you read those figures again?—A. It is in there.

Q. I beg your pardon?—A. But I would like to explain it. It is in 2(a), on the first page.

Q. Oh yes?—A. Then, this question is related to the next one which asked for the amount paid in commissions to any persons or corporations in respect to such sale of station time as commissions for procuring the business. Now, I take that question as applying to both the previous items; what was wanted was the total commission, and the total commission is given there \$58,047.32. Well now, I do not know what the purpose was in asking for that information, but I would like to make this explanation; that if the purpose was to ascertain the percentage of the commission then according to standard business practice the percentage should be taken on the gross and not on the actual cash. I presume that what was asked for is the aggregate of revenue actually for the network; and thus, the figures given above were actual cash. But, if you want to find out the actual percentage of the commission which the \$58,000 represents it should be computed on the basis of \$325,328.21, which is the cash plus the commission. In other words, you do not assess the commission on the net revenue but on the gross revenue.

Q. I might save some time for Major Murray, my object in seeking that information was the following: I had been told that in order for the Canadian Broadcasting Corporation to have a net revenue of \$500,000 they would have to do \$750,000 of business; another one told me \$900,000 worth of business; Mr. Brookington came here and said \$200,000 worth of business; and I wanted to find out the fact, and the way to get at the fact?—A. These are the actual figures.

By the Chairman:

Q. But you have not indicated the percentage?—A. I have not given the percentage. If you want the percentage of commission I can give it to you. I did not realize the purpose of your question.

[Major W. E. Gladstone Murray.]

By Hon. Mr. Lawson:

Q. That is all I wanted to know; how much money does the Broadcasting Corporation receive gross in order to make a net revenue of \$500,000?—A. From November 1st—according to your question—the network revenue has been such that \$58,047.23 has been paid by way of commissions on the aggregate revenue.

Q. That is on the business outlined in the preceding answer?—A. Yes; and if you want the additional information, the percentage is 17·84.

Q. That is 17·84 on the gross?—A. Yes. Now, the next question, Mr. Chairman, is also circulated with the folder. It is; production of standard rate card or booklet issued by the Canadian Broadcasting Corporation, specifying rates for broadcasting over individual stations and chains of stations. All the information is contained in the folder.

By Mr. Factor:

Q. Might I ask a question in relation to that just to clear up something that has been puzzling me. I have been told, Mr. Murray, that Canadian firms seeking advertising can get a cheaper rate from United States sources than from Canadian sources. Would you mind enlightening me; would it be possible to say if that is so, and if so why?—A. No, that is not the case. If there is any advantage it rests with Canadian firms in the sense that they have priority of consideration.

Q. That is fair, I think. I am glad to hear that because I was disturbed by having been told that.—A. The next question was, what amount has been expended for advertising Canadian Broadcasting Corporation facilities in newspapers, magazines, or pamphlets published in United States, with a list of the publications carrying such advertisements. Well, that is answered in detail. The total is \$1,347; and the names of the publications are given there. The purpose of that was to introduce the commercial activities of the C.B.C. to American advertisers.

By Mr. Isnor:

Q. Does what you read cover the total expenditure?—A. That is the total expenditure to date.

Q. To date—it is a very small amount.—A. The next question reads: the recent report of the Canadian Broadcasting Corporation contains a balance sheet and an income and expenditure account for the period November 2, 1936, to March 31, 1937. I desire either the monthly balance sheet of the Canadian Broadcasting Corporation for months subsequent to March 31, 1937, to date or, in the alternative, a balance sheet and income and expenditures account from March 31, 1937, to February 28, 1938. That was distributed in exhibit "B". That is also in the folder.

The next question is: I desire to know the number of employees, other than artists, who are paid on a program basis, which the Canadian Radio Commission had at the date of its abolition and the number of employees which the Canadian Broadcasting Corporation had as of January 31, 1938, with the aggregate of salaries paid in each case. I would also like information as to the persons in the employ of the Canadian Broadcasting Corporation full-time or part-time who are receiving salaries or compensation for their services in excess of, say, \$3,000 per annum. The answer to the first part of the question is distributed in the folder marked exhibit "C". And, here is the answer to the second part of the question: On January 31, 1938, there were twenty-four employees of the C.B.C. in receipt of salaries in excess of \$3,000 a year. I would like to say in explanation of the figures given in exhibit "C" that they are perhaps not unrelated to the fact that there has been an increase in the hours of operation for the period mentioned; that is, from November, 1936, to the other date given there—what is that date given there—oh yes, January 31, 1938. The figure for increase in operations

was from 279 hours per month to 518 hours per month. I simply add that information to give you an idea of the increase in activities which accompany the increase in staff.

By Mr. Factor:

Q. Did you say there was an increase from 279 hours to 518 hours?—
A. Yes, from 279 hours to 518 hours. That is all of Mr. Lawson's questions, Mr. Chairman.

The CHAIRMAN: Have you any other questions, Mr. Lawson?

Hon. Mr. LAWSON: Not at the moment, Mr. Chairman; not until I have a chance to digest this.

The CHAIRMAN: Shall we go on with the questions asked by Mr. Isnor?

Hon. Mr. LAWSON: There was a small point in connection with the procedure that I wanted to ask a question or two about.

The CHAIRMAN: Perhaps Mr. Isnor will go on and ask the questions which he wanted to submit to Mr. Murray.

Mr. ISNOR: I think perhaps they are already covered.

The WITNESS: There is one question that is not.

The CHAIRMAN: Are you satisfied with the answers you have received?

Mr. ISNOR: I think Mr. Murray has a further answer ready.

The WITNESS: The first question was; what are the names and positions and respective salaries for full-time employees of the Canadian Broadcasting Corporation. The answer to that is that it is not considered in the interest of broadcasting to produce detailed information about employees and salaries. If, however, any member of the committee, or any member of the House of Commons or of the Senate, would care to examine a list of the employees and their salaries, these can always be inspected at my office. I might say that several members have already taken advantage of that opportunity. The second part of the question was as to whether a Miss J. Christie was employed by the Canadian Broadcasting Corporation. Well, I have had an exhaustive investigation made into that and I cannot find any record of Miss Christie being employed by the corporation.

Mr. ISNOR: The answers are satisfactory to me with regard to both questions that were asked by me. I think the answer given by Mr. Murray, particularly in connection with the first part of my request is fair. I do not think it is desirable to broadcast the salaries of employees of this corporation any more than to broadcast the salaries of the Canadian National Railways, but I do feel that it should be available for members if they desire to have it privately.

By Hon. Mr. Lawson:

Q. May I take it from that then that I can get what I wanted; namely, that I can find out by going to Major Murray's office the names and addresses of employees receiving salaries in excess of \$3,000 per annum, and the amount of the salary paid to each?—A. Certainly.

The WITNESS: Might I have Mr. Bertrand's question?

The CHAIRMAN: Yes.

The WITNESS: His first question was—

By Mr. Isnor:

Q. Just before you proceed to these next questions, might I ask Mr. Murray a question, it is this; his answer to the effect that a monthly statement was not prepared by the corporation—surely you have a control system, a monthly control statement which shows your expenditures?—A. A monthly statement, certainly; but not a monthly balance sheet in proper form. As a matter of fact [Major W. E. Gladstone Murray.]

we have fortnightly and weekly statements, and there has to be a constant overhauling of expenditures, because we are never sure of revenue.

Q. Yes. I was just anxious to establish the fact that you have a statement whereby you get fortnightly or monthly control at least?—A. Oh, yes, there is a weekly statement.

The CHAIRMAN: Are there any further questions, Mr. Isnor?

Mr. ISNOR: Not at the moment, thank you.

The CHAIRMAN: Mr. Bertrand, will you go on with your question?

The WITNESS: Mr. Bertrand's first question was: all regulations concerning advertising programs. All programs are controlled by either the Canadian Broadcasting Act, 1936, or the regulations for broadcasting stations. The Broadcasting Act is attached hereto as exhibit "A" and the regulations as exhibit "B" in the folder.

By Mr. Bertrand:

Q. What I wanted to know was if these regulations are being enforced in so far as they apply to spot advertising?—A. I think probably you will find your answer to that in "3", in which the information is given that the broadcasting regulations made under the Broadcasting Act became effective November 1, 1937. A copy of actions under the Broadcasting Act and the broadcasting regulations from November 1, 1937, to March 1, 1938, is exhibit "B" of this folder. And you will notice in exhibit "D" headings such as price quotations, lotteries, games of chance and guessing contests, spot announcements, religious broadcasts, political broadcasts, fortune-tellers and the like, price mentions, and so on, are all excluded. The answer is that we endeavour to the best of the information that is at our disposal to apply these regulations.

Q. Well, Mr. Murray, I listen once in a while to you in my home and I hear this advertising; where they say, for example, Wellington 349—ladies and gentlemen, remember the number—and they repeat that two or three times. I think that is very boring for the listeners and I wanted to know if you are doing anything to check abuses of that kind?—A. We are continually checking and constantly criticizing any program where there is evidence that the station has done the thing you complain of.

Q. Have you ever stopped anybody?—A. We have not as yet, but we have threatened to.

Q. It is time that you did it, if one may judge from reports such as I receive from Montrealers. I happen to live there and I know their names very well, and on certain stations we have more advertising than music?—A. Objections have been noted on the advertising. That is one of the difficulties in connection with commercial advertising but we find that as the quality of our programs increases there is a tendency gradually to eliminate objectional features of that kind, by virtue of a general realization of the inadequacy of such programs and by reason of public appreciation for programs of a more desirable type. That would probably do more than anything else to help us suppress objectionable programs of the type you mention.

Q. Are you controlling musical programs in any way: are you seeing that the music that they give is well executed: have you reached that point?—A. As regards private stations you mean?

Q. Yes?—A. We have a general residuary control, but it has not as a matter of fact been interpreted in terms of applying standards for musical broadcasts. We confine that regulation to our own stations. I have not yet taken up the question of defective music with any privately owned station because I thought it more important to get the regulations observed as they stand.

Q. I think it would be a good thing for you, Mr. Murray, to do that. I have heard many programs where they were singing old French songs and they

were "murdering" the poor songs rather than singing them. The broadcast, you know, is not confined to the city of Montreal, it goes all over New England as well, and I would like to have your regulation of those programs?—A. I might say in that connection that as a result of the type of program we are developing on our own stations considerable improvement has been reflected; or perhaps I should say we have been able to exert a little moral persuasion, at all events, where we think a complaint is justified. I suggest, however, that it is a matter of exceedingly great difficulty to attempt a regulation of that sort in the way of your suggestion.

Q. It seems to me too bad that something cannot be done to meet that situation, but then possibly there are not so many complaints reaching you, or they are not reaching you in sufficient numbers that you feel the corporation would be justified in taking action?—A. We discover that the number of complaints is inclined to increase with the development of corporation broadcasting, because of the high standard of our musical programs, and with the introduction of better musical programs.

Q. I think the general public would be behind you if you would do something toward correcting that situation.

The WITNESS: Another question is: is there a central control by the corporation of advertising by private stations? The answer to that is: Administration of the Act and other regulations is supervised by the headoffice of the Canadian Broadcasting Corporation. With the exception of Ottawa where C.B.C. officials check broadcasting on stations CBO, CKCO, Ottawa, and CKCH, Hull, resident radio inspectors of the Radio Branch, Department of Transport, monitor Canadian broadcasting stations and report infractions of the Broadcasting Act and the broadcasting regulations to the controller of radio, Department of Transport. The controller of radio reports such violations or infractions to the general manager of the Canadian Broadcasting Corporation.

(b) In regard to regulation 13, respecting the broadcasting of food, drug and proprietary or patent medicine advertising, the inspectors of the Department of Pensions and National Health are authorized to act as representatives of the corporation for the purpose of enforcing this regulation.

(c) Infractions are reported on a standard form, copy of which is attached as exhibit "C."

Q. Were any complaints in connection with infractions made to you last year?—A. What kind of infractions, Mr. Bertrand?

Q. Well, those infractions that you have just mentioned there?—A. Oh, yes, many. Some of them are specified in the further information here.

The third question is: any other information relating to advertising programs by private stations. The broadcasting regulations made under the Broadcasting Act became effective November 1, 1937. A copy of actions under the Broadcasting Act and the broadcasting regulations, from November 1, 1937, to March 1, 1938, is attached as exhibit "D."

And then there is this remark: before final adoption, the Board of Governors heard representations of the Canadian Association of Broadcasters on the proposed regulations. As a matter of fact eleven months were spent in considering these regulations from all conceivable angles, special interests being taken into account.

The CHAIRMAN: Now, I think that answers all the questions that have been referred to Mr. Murray. Are there any other questions you desire to ask of the witness?

By Mr. Woodsworth:

Q. Mr. Chairman, there is a question on a different line that I should like to ask Major Murray. A protest has been received from Dr. Lou Tesky,

[Major W. E. Gladstone Murray.]

of Toronto, with regard to a broadcast which he was to have given over station CKCL with regard to venereal disease. Mr. Murray took the ground that this was against the regulations and stated that the trouble was that it would be received by old and young and so on. Dr. Tesky points out that very similar broadcasts are being made in the United States through the Department of National Health of Washington; also, that this station CKCL is only a local station with a radius within the province and that such matters are provincial in character. I appreciate that most of us are perhaps rather hesitant to deal with matters of this character, and yet I happen to have in my desk side by side with this the presentation of the Board of Health League of Canada with regard to the prevalence of venereal diseases in Canada. Every effort is made by our Health Department to give information with regard to the dangers of these venereal diseases. I think it is an open question as to whether there should not be some consideration given to the dissemination of knowledge by competent physicians, if it is given in an unobjectional way. I would like to have Mr. Murray's position in regard to this matter?—A. Mr. Chairman, I am very glad of the opportunity of clearing up any doubt that there may be existing on this subject; and perhaps you will permit me to read the regulation. It will be found at page 8, of our regulations:—

Section 7. No one shall broadcast . . . (i) upon the subject of venereal disease, or other subject relating to public health which the corporation may from time to time designate, unless such subjects be presented in a manner and at a time approved by the General Manager as appropriate to the medium of broadcasting. And I think it is fair also to repeat, and I am anxious to have included and emphasized in the record the attitude towards censorship, and this will be found in the note at the bottom of the page which reads: "It is not the intention of the corporation to restrict freedom of speech nor the fair presentation of controversial material. On the contrary, the policy of the corporation is to encourage the fair presentation of controversial questions. At the same time, it should be realized that the message of broadcasting is received at the fireside in the relatively unguarded atmosphere of the home, reaching old and young alike. Certain subjects, while meriting discussion elsewhere in the public interest are not necessarily suitable for this intimate medium."

Now, taking a lead from that regulation I have been in touch with Dr. Hutton, who is president of the Eugenics Society of Canada, and a very responsible physician, and in conversation with him we have been working out a syllabus of talks which would have for their object the dissemination of just the kind of information which we think is desirable in the public interest, observing the limits of the medium, and endeavouring to correct inaccuracies, and also to present in an authoritative and proper manner the information considered necessary. Other interested bodies public and private are also being consulted. The particular incident that gave rise to this objection by Dr. Tesky was, I believe, that he was to give a talk at a meeting of a service club in Toronto and it was offered for broadcast by the privately owned station CKCL that refused on its own responsibility to handle it for broadcasting under this regulation. As a consequence the manuscript was sent to me on the evening of the day previous to the day of the broadcast—it was planned to be at a luncheon. It struck me that to give approval to an isolated broadcast of that kind while negotiations were on hand for the presentation in series form of material very carefully considered and adapted to the local needs of the various parts of Canada, and taking into account all the considerations which one must do in such a delicate matter as this, that it would be inappropriate if not actually unwise for me to permit or assume responsibility for permitting the broadcast, especially when I was not by any means sure that some of the statements were accurate—and subsequent information confirmed my mis-

givings. Those were the circumstances in which permission to broadcast that particular talk was not granted. But I would like to assure Mr. Woodsworth that no avoidable time is being lost in giving the service which is meant to be given under the terms of the regulation.

MR. WOODSWORTH: There was just a supplementary question there. I am informed that the time at which this was to have been given was between 1.30 and 2 o'clock on a Thursday and that in Ontario at least all be younger children would be at school, presumably, during these hours; so that it would not present any difficulties as far as the very young children were concerned.

HON. MR. LAWSON: Or the very old, either.

MR. WOODSWORTH: Yes, up to school age. And, further, that no concrete objection was made to any statement at the time of the rejection—to any statement contained in the presentation. While I quite appreciate the necessity of having such a matter very carefully safeguarded it seems to me, I do not know whether it would be wise to give a monopoly to some particular individual or association in a matter of this kind. If statements were inaccurate, of course, I could quite conceive that that kind of thing ought to be prevented. I do not know what statements these were, but it seems to me that in view of the general welfare that it would be rather dangerous to give a monopoly to one particular group on this matter.

THE WITNESS: Mr. Chairman, there is no intention of giving a monopoly, but we want competent guidance in work of this kind from some authorities. There is no intention of creating a monopoly at all, all we want is expert guidance.

MR. WOODSWORTH: Quite so.

THE WITNESS: And I am quite prepared to submit notes, if Mr. Woodsworth would like to examine them; because I am quite sure that his decision would have been the same as my own in the circumstances. If you would like to go into the notes on that matter we will be glad to get them for you.

MR. WOODSWORTH: I am not an expert on this matter at all. I just wanted to pass on the protest which was made to me, and which did not seem very unreasonable.

Q. Mr. Murray, I think you said that you are now in consultation with Dr. Hutton with a view to working out something on this matter?—A. Yes.

Q. What did you say Dr. Hutton's official position was?—A. He is president of the Eugenics Society of Canada.

Q. Oh, yes; and I think you added something to the effect that he was a reputable and responsible citizen, or physician, or something of that kind?—A. Yes.

Q. And is this the same Dr. Hutton as was prohibited the air last year?—A. Yes.

HON. MR. LAWSON: Thank you.

MR. FACTOR: I am informed that Dr. Tesky is not a medical practitioner, that he is a dentist.

HON. MR. LAWSON: Dr. Tesky is a prominent physician in the riding I have the honour to represent. He was my opponent as a representative of the C. C. F. party in the last three elections.

MR. FACTOR: Did he run against you in the last election?

HON. MR. LAWSON: Yes; and may I add that with my breadth of mind I am anxious to give him every opportunity.

MR. WOODSWORTH: Needless to say I did not bring this matter up as a political matter; but I presume since I knew Dr. Tesky he wrote to me in regard to it.

[Major W. E. Gladstone Murray.]

By Mr. Turgeon:

Q. What relation, if any, is there between this Eugenics Society and the Broadcasting Corporation?—A. I am not aware of any relationship. It is a reputable organization and I think a fairly representative one, and it is an organization whose advice is worth taking.

Q. Has any monopoly been conferred on that organization?—A. Not at all, no monopoly of any kind has been conferred upon that society; but we have been taking this matter up with them with a view to dealing with the question.

Q. I am not so careful about a monopoly in that particular regard as I am of officials properly informing themselves as to the wording of alleged information. I would rather see a monopoly in the proper hands on some things. The officials of that organization are all medical men, are they not?—A. Yes.

Q. It is an organization of medical men?—A. Yes; and, of course, we have always the advantage of the advice of the Department of Pensions and National Health—I mean, we are in constant consultation with them.

Q. You are in consultation with them?—A. Oh yes; and they are helping to give guidance. Then, of course, over and above other considerations, what we have to take care of particularly, is the question of good taste.

By Mr. Factor:

Q. Have you consulted Dr. Bates, the head of the Health League in reference to this problem?—A. Yes, he's been seen.

The CHAIRMAN: In other words, it is a very delicate subject and every care must be taken in dealing with it.

Hon. Mr. LAWSON: I quite agree. I compliment Major Murray on the attitude he has taken in the matter, rather than on the one of banning arbitrarily from the air, as was done last year.

Mr. TURGEON: Is that all the questions?

By Hon. Mr. Lawson:

The CHAIRMAN: I believe that is all there are.

Mr. Brockington told us that when you were on the stand you would produce a copy of a letter written by the board of governors or somebody on behalf of the board of governors of the C.B.C. to the Minister of Transport recommending an increase in the licence fees. Would it be convenient to state if that copy of letter could be put on the record now?—A. Mr. Chairman, the circumstances are these: Consultations and exchanges of correspondence began in October and went on until December. I have been all through the files since the last meeting and I am faced with this difficulty, that the correspondence contained a great deal of confidential information, and to produce it would prejudice certain business negotiations which the corporation is now making or contemplates making. On the other hand I have taken from the documents and memoranda of interviews or letters all the relevant points and I have prepared a memorandum which I hope will satisfy your needs. Might I read the memorandum?

Hon. Mr. LAWSON: It was not you I asked for it, but the Chairman undertook to produce it.

The WITNESS: May I read this?

Hon. Mr. LAWSON: Of course, Mr. Chairman, I must take this position very definitely now: This business of reading excerpts from something or giving somebody's interpretation of something as evidence shall not go on. Please do not misunderstand me when I say that. I am not trying to dictate to the committee. Surely, the legal sense and the sense of justice in the legal members of this committee will cause them to support what I say, that that method

of giving evidence is highly improper. It has never been done, either in court, or committees, or anywhere else, and surely it is not to be permitted to continue. Now, if we are going to have the production of some documents let us have them; if we are not, then at the proper time and place I will deal with that. But, let the witness take the position that he is either going to produce it, or that he refuses to produce it. I protest as strongly as I can against witnesses getting in the witness box and giving their construction and their interpretation of something or other, something that is in existence, a written record or a written document.

Mr. FACTOR: That wasn't it at all.

Hon. Mr. LAWSON: But I do insist that as far as I am concerned, that Mr. Murray or any other witness must either produce a written document or refuse to produce it; and if he refuses to produce it he cannot give secondary evidence of what is in it. The Chairman of the Board of Governors of the Broadcasting Corporation told us very definitely that there was a letter written in January, if I remember correctly, of 1938, recommending to the minister that the licence fees be increased. Now, it is a fact that there is or there is not such a letter. If there is, let us have the letter. If there is not such a letter, let the witness swear there is not such a letter. But I am sorry I cannot accept somebody's interpretation of a mass of correspondence. Bear in mind, I am not raising the point that this witness or anybody else should disclose to us confidential conversations that occurred between him and the minister, or between the board of governors and the minister. That is not the point. The point relates to this document. I want to have that clear.

Mr. ROSS: Did I understand Mr. Murray to say that in such correspondence there were other matters and statements that were of a highly confidential nature?

The WITNESS: Yes.

Mr. ROSS: That being so I see no reason why they should be disclosed.

The CHAIRMAN: Mr. Lawson, would it not be well if we allowed Mr. Murray to read that memorandum he has brought? Possibly it might satisfy you.

Hon. Mr. LAWSON: No, because if he reads the memorandum he has prepared you have done the damage. Can you conceive of your going into any court of enquiry and enquiring into any matter and being allowed to read your views with respect to a written document—

Mr. FACTOR: That is not what Mr. Murray said at all

Hon. Mr. LAWSON: That is exactly what Mr. Murray proposes to do.

Mr. FACTOR: Pardon me, he is not giving his views; he says he has extracted such information that is not confidential and he is giving it to you.

Hon. Mr. LAWSON: That is not his statement.

Mr. MACMILLAN: I think Mr. Murray should have an opportunity to explain what he means. I would like to hear from Mr. Murray just what his memorandum contains.

The WITNESS: The letters that are requested, Mr. Chairman, cover a lot of problems. They are in effect periodical progress reports on matters of business, and they involve matters of extremely confidential information. This kind of thing; the present value of certain properties contemplated for purchase in the future, matters that would effect our policies, and that would have a direct bearing on the value of these properties. That was the point. What I did was not to give my interpretation of any particular point, but I made a precis, it is I believe a fair precis which contains the points which I believe to be relevant to the present discussion.

[Major W. E. Gladstone Murray.]

By Hon. Mr. Lawson:

Q. Might I ask does the precis contain the actual quotation of the excerpts from these letters which did not relate to these confidential matters?—A. No, it does not. It could have been prepared that way but I did not prepare it that way. If you like I shall prepare it that way.

Mr. MacMILLAN: It seems to me that if Mr. Murray has prepared it in that way it should suit our purpose.

Hon. Mr. LAWSON: He is not giving the relevant passages; he is giving his interpretation of them.

The WITNESS: I have drafted it in the form of a precis. Precis writing is a normal procedure in business. Of course I do not claim to be infallible, but I have endeavoured to give the actual meaning. I am quite prepared to present it in any other way in which you may desire to have it presented.

Hon. Mr. LAWSON: All I can say, so far as I am concerned, I desire to get the actual quotations from the letters.

Mr. JOHNSTON: Why not let us hear what he has prepared?

By Mr. Factor:

Q. Is there any separate letter dealing with the recommendation for the increase in the licence fee?—A. No.

Q. There is not?—A. There were several communications and included in the list you have these memoranda of conversations.

Q. And these documents contain certain information which is confidential?—A. Yes, and highly dangerous to us to publish.

Q. But you can extract from these documents that portion which deals with the recommendation for an increase in radio licence fees?—A. Yes.

Q. And you are willing to do that?—A. Yes.

By Mr. Johnston:

Q. You could give us the information Mr. Lawson wants without disclosing material that is highly confidential in nature, could you not?—A. Yes, that could be done.

Q. What date did that come up on?—A. The first letter was dated October 28, and the date of the final recommendation was December 8; but the material contains a lot of other matters which should not be published.

Q. The October letter was the one about which the difficulty arose, was it?—A. That began the discussion.

Q. Did you name the amount of the fee in that letter?—A. No. On December 9 it was named.

Q. On December 9?—A. There were alternative proposals considered, varying suggestions were made. I have tried to elaborate these in the memorandum for the convenience of the committee, but I am prepared to prepare a memorandum in any other form the committee may desire.

Mr. TURGEON: I want to register a protest right here—and I am not saying this with any allegation of unfairness—but I notice that in all of these committees that every time one of our legal friends take exception either to the form of a question or the form of an answer something is said as Mr. Lawson just said, about another lawyer having a sense of justice and a sense of knowledge of procedure in court. I want to object to that as there is another sense of justice which is much broader than that, which pertains to any work of parliament or to any branch of parliament but does not perhaps pertain to a court of law. There can be two separate things in this sense of justice, that is understood by everybody whether he is learned in the law or not, and that is the sense of justice which should prevail in an inquiry of this nature. But, every now and again we hear words like "understanding the

English language" and "sense of justice," and the net result of that is that a good many people who are not lawyers feel a tendency to keep in their seats because they feel that they may be rebuked if they enter into the discussion, and the net result of that would be that committees of this kind would be left almost entirely to lawyers. Now, I have nothing against lawyers; I don't happen to be one and sometimes I am sorry I am not. But I do want to make that point clear, that the sense of justice that should prevail in anything that is in any way related to the House of Commons is not necessarily the sense of justice that pervades the court room where somebody is charged with a crime and where every word is counted in the evidence.

Hon. Mr. LAWSON: Mr. Chairman, if I might make my position clear; we have just listened to one of the lectures in a series which we have had from one of the whips of the Liberal party on several occasions.

Mr. TURGEON: Just a moment. I am here as a member of the committee. I am not here as one of the whips. I am quite ready to discuss the question with Mr. Lawson.

The CHAIRMAN: Let us carry on with a smile on our lips.

Hon. Mr. LAWSON: Might I make it clear that my appeal to the legal members of the committee was because of this; let us remember that they are specially trained and therefore should be skilled in dealing with matters of inquiry. It was with no reflection on the lay mind. But what I did have in mind was that the legal members of the committee having an accurate knowledge of the extent of British justice in matters of this kind would bear me out in that. It was highly improper not to produce a document required, even if as Mr. Murray says there are parts of the document that it would be prejudicial to the conduct of the business of the C.B.C. to disclose. At least these gentlemen will bear me out that we ought to have the actual excerpts from the documents that deal with the question of licence fees.

Mr. TURGEON: I am not questioning that.

Mr. ROSS: As I understand it Mr. Murray is prepared to go through the material again and secure the excerpts that Mr. Lawson wants. In the meantime he might be permitted to present his memorandum. It might give a lot of information to some of the other members of the committee who are only "lay" minded. I wonder if Mr. Murray would be good enough to read the document that he has brought in; and later, of course, if Mr. Lawson wants it, he can give him excerpts from the actual letters. Perhaps we could get a better understanding on this thing if that were done.

The CHAIRMAN: Does anybody else wish to give his opinion on that?

Mr. WOODSWORTH: Mr. Chairman, I just want to endorse what Mr. Turgeon has said. I am one of those who do not feel compelled to keep my feet simply because a lawyer speaks.

Mr. MACMILLAN: Nobody suggested that.

Mr. WOODSWORTH: I rather resent what is so often the attitude of a legal gentleman when he says, "Every legal gentleman ought to know" and rather implies that anybody who is not of that profession or has not had this particular training, does not know anything about it and cannot be appealed to. Although we are poor laymen, as they call us, I think that we poor laymen have rights in the committee.

Hon. Mr. LAWSON: You mean wealthy laymen, as compared with lawyers. They are the poor fellows.

Mr. WOODSWORTH: It seems to me that we have to remember that this is not a court of law, and that the procedure here should not be the procedure of a court of law. Mr. Brockington or Mr. Murray are not criminals in the dock and are not to be treated as such.

[Major W. E. Gladstone Murray.]

The CHAIRMAN: We are not carrying on a trial as in court. This is not a trial court.

Mr. WOODSWORTH: There has been something of that, especially when we come to the mode of procedure and the kind of evidence that should be taken. I do not feel that it is absolutely necessary that we should take this according to strict rules that might govern in a court room. That is all I want to suggest. It would seem to me that if we get, on the assurance of Mr. Murray, the document—at least extracts from the document that contain all the relevant evidence that is required, surely that is all that we need.

Hon. Mr. LAWSON: That is all that is being asked for—extracts from the document.

Mr. WOODSWORTH: That has already been offered. What more do we need?

Mr. FACTOR: We have had too many of these lectures on British justice and all that.

Mr. MACMILLAN: Hear, hear.

Mr. BERTRAND: Mr. Chairman, I happen to be a lawyer too.

Mr. MACMILLAN: I think you should exercise your authority as chairman here and call a man to order and tell him to sit down if he is talking about something non-sensical or not germane to the discussion. I think Mr. Lawson's question is a very fair one, and apparently Mr. Murray thinks it is fair, because he is ready to give the information to Mr. Lawson.

Mr. BERTRAND: Nobody is objecting to the production of that information.

The CHAIRMAN: I do not think it is the function of the chairman, Mr. MacMillan, to be autocratic in his actions.

Mr. MACMILLAN: I do not say that he should be autocratic; but there are limits.

The CHAIRMAN: I like to give members of the committee all the latitude that is possible to give them, because I think it is only fair. But if you ask me for an opinion, I think Mr. Gladstone Murray should be allowed to read the statement that he has prepared. Then if there are required certain extracts from the document which is confidential, they can be produced at a further sitting. But probably the reading of this memorandum that Mr. Murray has prepared would satisfy every member of the committee. Why not let Mr. Murray read that statement?

Mr. BERTRAND: Yes. It might not satisfy Mr. Lawson.

Mr. MACMILLAN: If there is any further information that Mr. Lawson wants, he can ask for it.

Mr. JOHNSTON: Mr. Ahearn who asked for that information says it does not satisfy him.

Hon. Mr. LAWSON: I was one of those concerned in asking for some of that information. I do not know what Mr. Murray has in mind there—whether it is going to be an interpretation of what these confidential matters may be.

The CHAIRMAN: Mr. Johnston, we are talking about a document whose content we do not know.

Mr. WOODSWORTH: I move that we have this document read now.

Hon. Mr. LAWSON: You do not need a motion, if the committee wants to hear it.

Mr. JOHNSTON: I do not want to form a false impression of that document which he is asked to read. If it is understood that, after he has read it, he will submit the evidence that Mr. Lawson suggested—and I see no reason why that should not be submitted—I am prepared to go ahead and hear it. I am interested in hearing the document that has been prepared.

By Mr. MacMillan:

Q. Does this document contain a statement of the facts or is it your interpretation, Mr. Murray?—A. This document is my humble endeavour to write a précis.

Mr. BERTRAND: Before we read that, I want to know what Mr. Murray is going to do. Before we go further, I should not want the public to be under the impression that all lawyers here have exactly the same opinion of British justice that Mr. Lawson has. That is what I wanted to say.

Hon. Mr. LAWSON: If they had, they would not be lawyers, Mr. Bertrand.

Mr. BERTRAND: That is perfectly right.

Mr. EDWARDS: What do we care about lawyers? Let us get on with the job.

Mr. BERTRAND: As a lawyer, I admit that many people who are not lawyers have very good sense of what British justice is.

Mr. MACMILLAN: Let us get on.

Hon. Mr. LAWSON: There is no dispute as to that.

The CHAIRMAN: All right, Mr. Murray.

The WITNESS: I have headed this "Plan of Finance—Recommendations to the Minister." It reads as follows:—

Recommendations to the Minister of Transport both verbally and written began in October, 1937, and extended until the end of the year.

The policy having been clearly defined both by the Board of Governors and the Minister of Transport it was necessary to consider ways and means. During the financial year 1938-39 it was believed new construction should be undertaken simultaneously in the Maritimes and the Prairies. The estimated total cost of these two 50 kilowatt transmitters was \$600,000, with an additional operating revenue at the rate of \$100,000 per year per station including interest and depreciation.

It seemed clear that a total annual net revenue of three and a half million a year would be required to maintain the service and to repay the capital loans.

For the year 1937-38, the operations of the CBC were being conducted on a \$2,365,000 scale, allowing for a reasonable operating surplus in excess of \$100,000. The expansion of activity involving the completion of the plan of national coverage and the development of programs, meant securing an assured increased revenue of rather more than a million dollars a year. How was this revenue to be secured? From licence fees at \$2 a household. It seemed unlikely that the natural increase would be adequate. Was the increased revenue to come from commercial activities? Where was the natural point of limitation of commercial activity for a public service system with clearly defined responsibilities such as those of the CBC? It is a matter of judgment in relation to the problems of long term planning, educational broadcasting and general responsibilities. Estimates ranged from a quarter of a million to \$700,000 net. It was finally concluded that having regard to basic policy it would be unsound to depend upon commercial revenue for more than a net of half a million a year. This meant that it would be necessary to secure from other sources three millions a year, that is, if the plan of national coverage was to be completed and capital repaid at 3½ per cent interest. There was a good deal of consultation and various suggestions were made; in the end the Board of Governors recommended an increase in the licence fee of 50 cents and this policy was accepted.

[Major W. E. Gladstone Murray.]

By Mr. Bertrand:

Q. In other words, you take full responsibility? The commission is taking full responsibility for this recommendation for an increase?—A. That is the fact.

Mr. AHEARN: What were the various suggestions?

By Mr. MacMillan:

Q. You had alternative suggestions, did you not?—A. Oh, yes. There were various alternative suggestions. Amongst those were included a three-dollar licence fee, a three-dollar licence fee per household, with which it was estimated that so much additional revenue would be secured that perhaps the total of three and a half millions a year, which seem to be required when the service is fully organized, would be secured with the addition of a net advertising revenue perhaps nearer a quarter of a million than half a million. I would like to make it quite clear that the estimate of this advertising revenue has nothing to do with consultation with vested interests. It is directly a matter of program building and the acceptance of public service responsibility.

Mr. EDWARDS: The other day in the committee, as you are aware, I asked Mr. Brockington what the alternative was to doing away entirely with advertising. He said, I think, that the objective of the CBC was to ultimately get rid of advertising entirely. To me that appears rather, shall I say, altruistic but certainly not very practical. If the CBC requires the funds which they do require, they will either have to get them from advertising, from a grant from the government or from increased fees; and while none of us want to listen to a lot of advertising, certainly I do not see how you are going to get away from a reasonable amount of advertising and obtaining a considerable amount of revenue to carry on your business from that source. It is done in the United States, and it is not objectionable. There might occasionally be something objectionable, that is true. I do not know how you are going to raise your money otherwise, without taking it out of the pockets of the people.

Mr. ROSS: Is it not the case right now? The advertising over the CBC is not objectionable? I do not see that it is.

Mr. EDWARDS: I do not see it.

Mr. ROSS: As a matter of fact, part of their advertising is very good.

Mr. EDWARDS: I think so.

The CHAIRMAN: I think Mr. Murray wishes to speak on the reference you have made, Mr. Edwards.

The WITNESS: I was going to mention the other alternatives, perhaps, if you would allow me to go on. Various suggestions were thrown out—for example, a very important one which perhaps merits further discussion. It is our opinion that there was collected the sum of one million dollars in licence revenue before the Canadian Radio Broadcasting Commission was formed and that that apparently still rests especially ear-marked, in the consolidated revenue. There might be an argument made,—a fairly strong argument, it seems to me—that that money belongs to the listeners of Canada and could be appropriately voted to consolidate the capital position. Perhaps it might be less objectionable to suggest that that particular million dollars be voted than that there should be some other means of financing, to ease the burden from other sources.

By Hon. Mr. Lawson:

Q. Excuse me, but I did not quite follow that. You say that there was a million dollars collected from licence fees?—A. Yes.

Q. Would that be prior to 1932?—A. Yes.

Q. Before there ever was a Broadcasting Commission or corporation of any kind?—A. Yes; and it is my information that that is still marked as having been collected.

Q. Excuse me, but would that be a million dollars after deducting the costs of collection?—A. Yes.

Q. But not deducting the amount paid by the government annually for the maintenance of their service to eliminate interference and that sort of thing?—A. It is a net figure. It has nothing to do with that service. That service has been paid for separately.

Q. Excuse me for interrupting you, but I wanted to get that clear in my mind.—A. There was then the suggestion that after the forthcoming inquiry by the Tariff Commission into the radio industry, another possible way of raising the revenue might be some tax,—not a big one; perhaps only ten or fifteen cents,—on radio tubes, perhaps a graduated tax, a tax which would not fall on the public.

By Mr. Edwards:

Q. All of which comes on the consumer?—A. I am no authority on this. I am just giving the various ideas which were discussed. It was suggested, for example, that is a reasonable graduated tax were applied perhaps as much as a quarter of a million might be expected from that source, after a year or so.

By Mr. Woodsworth:

Q. Has that been explored? That has been represented to me as one source of taxation which would not fall directly on the consumer at all. I understand it might be absorbed.—A. That is the suggestion.

By Mr. Edwards:

Q. Surely, Mr. Murray, that must come on the consumer in the cost of his radio and maintenance. How can it be otherwise?—A. Oh, I am not an authority on that, Mr. Chairman, I am trying to recount the various proposals that were reviewed.

By Mr. Turgeon:

Q. You are expressing no approval of them?—A. No.

Q. You are expressing neither approval nor disapproval?—A. No. Policy is not my concern. I am trying to be the mere medium of what was discussed. That was certainly one of the major points that came forward, but it was inappropriate to consider it definitively until the Tariff Commission has completed its deliberations. There were variations considered of the \$2.50 licence fee. For example, one suggestion was that there should be a \$2.50 household fee, and that all additional sets should be \$1.00. This was not our recommendation, but it was one of the points that was made. Then there was another suggestion that there should be a maximum charge of \$5—if you happened to have half a dozen sets in the house you could never pay more than \$5. Then, of course, there was a suggestion that the radio fee should be withdrawn entirely and that, so far as it is necessary to secure money from public sources,—this service should be maintained by an annual vote of parliament. But there were so many objections raised to it that it was not very seriously considered.

By Mr. Johnston:

Q. Who made these different suggestions in regard to the amount to be paid?—A. I am giving you the kind of consultation and discussion that went on between our board of governors, and our conversations with the Minister of Transport and other people interested.

Q. Other people interested were permitted to send in recommendations?—A. Yes. I think I have exhausted the main points that were brought forward. It was our desire, of course, to try to find a way which would be as painless as possible. I would put this down very definitely—I would say this, that during all these discussions it was thoroughly understood from the beginning, and by all concerned, that once the licence fee was raised by whatever amount it was raised, it could never be raised again, so far as we could see.

[Major W. E. Gladstone Murray.]

By Mr. Factor:

Q. What was the increase in fee? What additional revenue do you calculate this increase in fee would bring you?—A. It is difficult to say.

Q. Well, approximately?—A. We are allowing for an additional \$600,000, as a conservative estimate.

By the Chairman:

Q. By the increased licence fee?—A. Yes.

By Mr. Edwards:

Q. What real objection has the commission, or the board of governors—I presume they are trying to please the listening public—to a reasonable amount of advertising on the air? What is the objection to the sponsored programs being carried by these firms advertising certain kinds of things within a reasonable limit, as for instance the Charlie McCarthy program, the Chase and Sanborn program and all the rest? They are all carrying it on.—A. My reply to that as chief executive—I am not the custodian of policy—is this: As I see it, the very best programs of a certain kind are these commercial programs. They have enormously enriched our service. I would like to take this opportunity of paying public tribute to the extraordinarily gracious and friendly attitude of the broadcasters not only of the British Empire but of the United States in connection with the services we have been able to develop. But there is a definite limit beyond which we cannot go. You cannot compare us with the NBC because we are not working for maximum profits, and we have a definite public responsibility. We have got to take into account the serious side of broadcasting much more than they do—debates and discussions, developing of orchestral programs, the whole series of functions which may perhaps be appropriately described as the “Canadian Ministry of the Arts—for instance, the development of orchestras in Toronto and others elsewhere. We must not get tied down for all the best parts of our listening periods. The great tendency, if you go beyond a certain point commercially, is to tie yourselves up so that the best listening times become commercial. We have therefore to put a limitation on that. We want to have our own Canadian artistic endeavour brought out not at the odd moments but at the peak listening periods. We must therefore constantly keep a nice balance between the various main constituents of the program material. But I would be the last one to say that these main American commercials are not good material. They have the best program material of their kind in the world. They are very important constituents.

Hon. Mr. LAWSON: That is a little beside the point asked by Mr. Edwards. Granted that all you say as to your responsibility as a national body is true—and I think most of the committee is in agreement with you on that—do you see any objection to the CBC system carrying the amount of commercial programs and programs of the nature which you are now carrying? That is really Mr. Edwards’ point.

Mr. EDWARDS: In other words, Mr. Murray, we cannot gratify a champagne appetite on a beer purse.

Hon. Mr. LAWSON: That is right.

By Mr. Edwards:

Q. If we want this, it is fine. What you say is fine, if the people are willing to pay for it. We have a medium of handling these programs with a reasonable amount of advertising and the programs are paid for. That is what I am getting at. Instead of raising the licence fees or instead of getting increased grants from the government, why not let these people pay for them who want to pay for them, within a reasonable limit?—A. The answer to that, I think, is that if we want a million dollars net for advertising revenue, we would so undermine our other functions that we would be indistinguishable from an

ordinary profit-making network. We would then be in the area of straight commercials and we should not be doing the job which we were meant to do under the Broadcasting Act. My own personal view is that we have got really too much advertising now; for example, definitely on CBL and on CBF.

Q. I live thirty miles from Hornby, or forty miles from Hornby, and I get excellent reception.—A. But we are not giving our best Canadian programs the opportunity which is their right. We are not giving them that full coverage which is their right. Great parts of Canada are not hearing our best efforts at the moment; and I beg to advance the suggestion that some of these better programs that we are developing now, very largely through the fact that we are able to concentrate our effort by virtue of the importations, should be carried on all our stations, and that means considerable contraction.

By Mr. Isnor:

Q. I want to ask something more about that \$600,000 estimate he made, or \$650,000. In his statement which he tabled to-day he shows the licence fees for eleven months at \$1,837,000. I think if he takes his pencil he will find that if the average monthly return from licence fees as stated was \$167,000, for the twelve months of the year he would have a revenue from that source alone of \$2,004,000, if I am correct in my figuring. That was based on the two-dollar rate. Therefore if you have the same number of licences taken next year, it would mean 25 per cent more of that total, which would be, roughly, \$500,000. I am going to ask Mr. Murray to explain where the \$150,000 is coming from; and, in addition, to estimate the additional licences that are likely to be taken due to the fact that a great many of the present licenced owners have one, two or three additional sets in their homes. I want to arrive at some figures, to see if I am correct in this. And while I am on my feet, may I go a little further. The chairman, I think, the other day told us he estimated that the licence fees for the next year are to be \$2,700,000 and there is a difference of opinion there, or rather a difference in regard to the figures. I will make a job of this, and then perhaps Mr. Murray will answer both. The commercial activities or the commercial broadcasting revenue is shown at \$363,000, roughly. That is in the statement tabled to-day. If we add an additional one-twelfth, or one month more, to complete the year, we will only have \$396,000 on the same basis. You estimate \$500,000. Perhaps you would explain the difference in the figures which I have quoted and which apparently are on your own statement?—A. Yes. Mr. Chairman, on the first point—the apparent discrepancy in the estimate of licence revenue—the problem there is as follows. This balance was struck on the 28th of February, 1938, and for the purpose of convenience we had been estimating the licence revenue coming in at the rate of \$167,000 a month. That was on the basis of \$2,000,000 yield for the year. The yield for the year is actually \$100,000 less than the estimate. We had to revise our operations accordingly. Therefore for the month of March there would be a falling off of \$100,000 on the estimates for licence revenue.

Q. You might make that clear. Are these the actual figures? Are these actual revenues?—A. This is an actual—well, insofar as you can strike it.

Q. Is it?—A. No, but insofar as you can strike it. The trouble about it—our main difficulty is by virtue of the fact that the licence is not dated from the date of collection.

Q. May I put it another way. Are these actual cash returns filed?—A. No, no—this is adjustable when final collections are known. This is the actual cash position as at the 28th of February.

Q. That is definite. Now we have it. Those are the actual figures.—A. Yes.

Q. To February 28th, 1938?—A. Yes.

Q. That is quite clear. There is no estimate there. Those are actual figures.

The CHAIRMAN: You want the estimate for the month of March? Is that what you want?

[Major W. E. Gladstone Murray.]

Mr. Isnor: No.

The WITNESS: Of course, as a matter of fact, I have had to put a note at the bottom there, estimate for the month of February, because some of the outstanding accounts are not collected. But this is as close as you can get to it.

By Mr. Isnor:

Q. Yes?—A. Now, on the advertising revenue—when I mentioned the figure of half a million, that is not for last year; that is for next year. Because we were working on the figure of \$365,000 net for this year and that figure is going to be somewhat exceeded, because as you observe the figure at February 28th was \$363,000, so the figure at the end of March—I cannot give it to you exactly now, but it will be between \$380,000 and \$390,000 probably.

Q. It should be \$390,000?—A. Something like that.

By Mr. Johnston:

Q. In regard to these commercial broadcasts, and continuing them, are you in favour of increasing them a little bit—have you any great objection to them?—A. We had a great volume of approval of the main programs; that is to say, the network programs. We have had some dissatisfaction with the extended local programs on CBL and on CBF; but I should say the volume of approval was greater than the volume of objections.

Q. For an increase in commercial programs?—A. Yes.

Q. Well then, wouldn't that tend to show that public opinion was in favour of them, and of your getting your money through an increase in commercial programs?—A. No, I should not think that would be a fair deduction; because we find people more interested in the other programs that are now taking their place. We have a considerable volume of approval for that. My own feeling is that we need not fear public reaction to the curtailment of commercial programs.

Q. Surely that objection would not come from the listeners?—A. You would be surprised what a following our own programs have.

By Mr. Edwards:

Q. Well, Mr. Murray, it seems to me, following the gentleman who has just spoken (Mr. Johnston), that you must provide some other means other than taking it directly out of the pockets of the people, and this suggestion of a reasonable amount of advertising, allowing advertising to carry the burden, might be considered. The common procedure nowadays, as you are no doubt well aware, and I think it is a reasonable procedure, is suppose you are allowing \$100,000 for advertising purposes in your budget for the year, of that amount we will say \$25,000 is allocated to radio advertising and the other \$75,000 is allocated for advertising in newspapers and magazines. It looks to me to be the logical way in which to build up your revenues?—A. Our policy with regard to advertising will be to try to exercise a more restrictive attitude giving Canadian enterprise perhaps a growing priority and selecting on program merit more than we have been doing. We turned down a quarter of a million dollars worth of advertising in the eleven month period which ended on February 28; but, of course, a good deal of that was because they all wanted the same time on the air.

By Mr. Isnor:

Q. Do you mean by that that you lost \$250,000?—A. We rejected it.

By Mr. Edwards:

Q. Was that because they could not pay for the advertising?—A. No, no; that was commercial advertising and we could not take all of it because some of them wanted the same time, time that had already been sold. I think it would

be fair to state that we could have easily taken another \$150,000 worth of advertising revenue this year if we had gone commercial.

Q. You do not answer my point in regard to whether or not you could have built up your revenue in that way and if it would not have been just as valuable to you as increasing the licence fee?—A. I would preface my answer to that question with this remark, that perhaps anybody's opinion is as good as anybody else's. We have data which we have got through the radio industry, and through the Department of Transport, and so on; and our feeling was that perhaps it would not be unfair to assume that with a licence fee of \$2.50 and the application of the multiple licence provision that our revenues would be something like this: there would be 150,000 battery sets at \$2, that would give us \$300,000; and 1,000,000 households paying \$2.50, that is \$2,500,000; and then perhaps 100,000 additional sets for multiple sets, being \$250,000—I am just giving you the gross figures—and 100,000 additional set for multiple sets—that is for people who have more than one set—that would be an additional \$250,000.

Q. What additional service is the Broadcasting Corporation giving to the one who has three sets as against one who has only one set?—A. He is getting no additional service.

Q. He is getting no additional service; in other words, the man who has three radios has to buy three licences while the man who has but one radio only pays one licence fee yet he gets exactly the same service.

Mr. BERTRAND: Except that the man with three sets has the service of the three sets.

Mr. EDWARDS: Let Mr. Murray answer, please.

The WITNESS: I am not addressing myself to the ethics of this taxation.

By Mr. Edwards:

Q. However, it is an opportunity to collect more money; we realize that?—A. Yes.

Q. What additional service are you giving and what justification can you make for charging that?—A. As a matter of policy it is probably not my province; but the thought that comes to me is that the idea would be that perhaps the burden is being placed where the burden will rest most easily.

Mr. FACTOR: Of course, the man who could afford three radio sets could more easily afford to buy three licences.

Mr. EDWARDS: How is that justified? What additional service does the man who has three radio sets and has to buy three radio sets get as compared to the man who only has one?

Mr. FACTOR: If you could afford to buy three motor cars you could afford to buy licence plates.

Mr. EDWARDS: That has nothing to do with it at all.

Mr. ISNOR: You might let Mr. Murray complete his answer.

The WITNESS: I would like it if this could be considered statistical information. First we estimate that there are a million and a half householders paying \$2.50, that means \$2,500,000 of revenue; then there would be 100,000 additional sets under the multiple set provision at \$2.50 that would give us \$250,000; and then we estimate the number at 60,000 motor car sets and at \$2.50 that gives us \$150,000. Well now, you have got there a gross per licence total of \$3,200,000, and you must deduct first of all 17 cents for collections, and the amount that would be deducted on that account would be \$22,700; and then the Department of Transport administration figure is \$115,000, and that comes off the total; which would leave a net of \$2,862,300.

Q. You are just picking that out of the air without giving any additional service; isn't that right?—A. There would be additional service of this kind,

[Major W. E. Gladstone Murray.]

that programs and coverage would be very much improved where they are now non-existent or defective.

Q. No, what I mean is that with respect to your list of sets there, and the amount charged for each set—where a man has three or four of these radios he has to buy a licence for each set—?—A. And then you would get better coverage in certain parts of the country, the prairies would have better coverage, for instance.

Q. And, moreover, you have a million dollars now in the capital account with which to build high-powered stations?—A. And you have got to spend another \$100,000 to maintain it when you have got it.

By Mr. Isnor:

Q. I asked you if you had carried your survey along any other lines? What I had in mind was something like this: We very frequently hear the expression used in discussing automobiles, for instance, that they are one in thirteen, or something like that. I wonder if you took any district, or any province and compared the number of licences now being paid for in that particular province and also in relation to the population and also the number of automobiles paying licences, and I was wondering if that would afford a fair basis of comparison as a set-up in arriving at an estimate of revenue which you might be likely to get. Then I was wondering what that would be if you stick to the \$2.50 and also how it would compare with the former fee of \$2. Did you use any basis such as that in working this out, or did you just estimate it out of the air?—A. It was not entirely out of the air. Our figures are based very largely on the records of the Department of Transport, The Department of Transport expect to collect from 1,175,000 households in 1938 and 1939. That was the basis of our estimate. We had figured 1,000,000, do you see, which is well under that. Motor car figures I think are accurate, although frankly it possibly is a figure that I cannot justify. 100,000 for multiple sets we feel is not an excessive estimate. There has, however, been prepared a graph which shows the number of people per radio licence obtained by dividing the population in Canada by the number of receiving licences in each year beginning from 1923 when they were 1 to 100, and coming down to 1937-38 when they were 1 to 11. It is estimated now that there is in existence in Canada 1 radio set for every 11 of the population.

Q. I just wanted to explore that a little further. In checking the figures for the province of Nova Scotia I find that there were 42,045 radio licences issued last year. I just wanted to try to relate that to the number of motor cars. There were something like 45,000 car licences issued in the province of Nova Scotia at the same time. I think that would give you a fair comparison in that province, and one might suppose that if it would apply in one province it would apply to the whole of the Dominion. I would suggest to you, Mr. Murray, that you might investigate or explore that field, and in that way you might possibly be able to estimate the probable revenue for 1939, or any given period, for your corporation.—A. I am very much obliged to you for your suggestion.

By Mr. Barber:

Q. Mr. Chairman, I brought up a question with the chairman of the board of governors which I think should be dealt with at this time. I understand of course that the Broadcasting Corporation or the board of governors have nothing to do with the collecting of the licence fees. That is under the Department of Transport isn't it?—A. Yes.

Q. I think it is desirable that the number of people who are paying licence fees should be looked into. Is it not possible to ascertain the number of broadcast receiving sets in this country outside of those for whom the licences have been issued. I understand that the regulations are that radio receiving

set dealers and those who carry on repair work are supposed to report to the department or to someone, and I thought that through that source throughout this whole country we could secure some information as to the total number of radio receiving sets in use in Canada to-day. The charge is frequently made, and I have heard that in some localities where a local check has been made a good percentage of the sets found in the locality had never paid a licence fee. It is quite easy to understand that if a licence fee is once paid it is easy to follow that man up, but you cannot follow up the individual who has never bought a licence. Do you not think that we might be able to get a considerable amount of additional revenue if we were to have an effective check on that situation. In my opinion if every owner of a receiving set in Canada to-day paid his licence fee I think you would have an additional revenue amounting to several hundreds of thousands of dollars at least. Is there any way of checking on that outside of the method of just checking those who have paid their licence fees?—A. Mr. Chairman, I cannot speak with absolute authority on that because it is not my particular responsibility. We have, of course, the figures from the Radio Manufacturers' Association, and from the various societies of dealers and so on, and they take the view that there is a considerable excess of radio sets not licenced. But that again is not within my province, but I shall be very glad to pass on to the officers of the Department of Transport the thought that is behind this question.

Mr. BERTRAND: Mr. Edwards was just questioning you in connection with the service that you gave; the thought just came to my mind that in Westmount where I live we pay a water tax of so much and we pay an additional amount for every tap that we have in the house.

Hon. Mr. LAWSON: Then you have a rotten system. You should pay through the meter.

Mr. BERTRAND: In Westmount that is the way we do it; we pay water taxes, and we pay for each additional tap.

Mr. EDWARDS: Then, all I can say is that you are away behind the times.

Mr. BERTRAND: It is going to be the same thing with radios; if you have three radio sets you have to pay three licences—a licence for each additional radio set.

By Mr. Johnston:

Q. Is the Canadian Broadcasting Corporation competing with private stations for commercial revenue?—A. You mean, in Canada?

Q. Yes, is not the corporation competing with private stations in commercial broadcasting?—A. There may be an element, but it is not normal competition. Network business is exclusive, but there is no commercial network doing business in Canada other than the corporation. We do emphasize the fact that the network business is not in competition with private stations. There are 27 private stations associated in our commercial broadcasts.

Q. Do you not have a supervision over the private stations, and do they not have to submit their business to you for approval?—A. We do not compete against them, they are all on our network, the whole 27 of them.

Q. No, I mean the stations that do not happen to be on your network.

The CHAIRMAN: Order please.

The WITNESS: There is the element of competition locally, yes; but that is not being stressed, and is likely to be reduced in future because our whole emphasis now will be on network operation. I think it was the necessity of being on the right side of the budget which compelled me to go so much into the local field this last year.

[Major W. E. Gladstone Murray.]

Q. You make them submit the list of advertising and the rates they are charging, don't you?—A. No.

Q. Not the private stations?—A. No.

Q. I was informed that was one of your regulations?—A. On our network only. On the 27 stations we have to be convinced that the rates are reasonable by some yardstick; in other words, by effective coverage. We have to quote for the whole network, including the 27 private stations, and to that extent we have to agree with them.

Q. That places them in a very awkward position when they have to give you a list of their customers?—A. They do not give us a list of their customers; they merely submit their rates. We do not know who their customers are.

Q. I understood that that was what they were required to do?—A. No, no; we have nothing to do with that. Our problem is simply this, that we have to agree with the private stations on our network as to what we think they should sell their service for. We have never asked them any information concerning their own business.

Q. Then, you do not require from the private stations a list of their advertisers at all?—A. Certainly not.

Q. Nor rates charged?—A. We know the rates for our services. Their own service is their own business and we are not concerned about what they charge.

By Mr. Isnor:

Q. It would be necessary for you to have these rates?—A. In so far as we are doing a joint business, yes.

By Mr. Barber:

Q. Just at that point, the advertising programs broadcasted from one high-powered station and also sent out over other private stations—are these private stations paid?—A. Certainly.

Q. They are all paid?—A. They are all paid their share of the broadcast revenue.

Q. In relation to the aggregate?—A. Yes.

By Mr. Factor:

Q. If they are on the network they are paid, is that it?—A. Yes.

The CHAIRMAN: Mr. Lawson, did you want to ask a question?

Hon. Mr. LAWSON: I would like to ask a few questions before we adjourn.

Mr. EDWARDS: Before you begin there is one question I would like to ask.

By Mr. Edwards:

Q. What was the reaction of the Radio Manufacturers to the proposed increase in licence fees; have you had many complaints?—A. I do not think it is popular; from what I can gather.

Q. I am asking you that for a real purpose, because the manufacturers, the furniture manufacturers during the last few years have had pretty tough sledding, and in some of the very large plants they have kept running by making radio cabinets. With them it is a very serious matter. I just wondered what the reaction has been. I would think there would be very strong protests?—A. The protest has not been as strong as I expected. We have had no written protests. I do not know what the Minister of Transport has had. One or two of my friends in the radio industry have not been as enthusiastic as they normally are in conversation.

Mr. EDWARDS: I know quite a number of these big furniture manufacturers and I know with firms such as Snyders, of Montreal, the Malcolm plant, and the large plant at Hespelet, Ontario, who make radio cabinets, the situation is a serious one. I was just wondering what the reaction has been.

The CHAIRMAN: I would like to ask Major Murray one question; is it not true that the radio licence fee in Canada is as cheap as it is in any other country in the world of the size of Canada and much cheaper than in some of them?

Hon. Mr. LAWSON: No; it is nothing in the United States.

The CHAIRMAN: Well, possibly so, but there is a lot of indirect charge.

Mr. JOHNSTON: There is a list of those fees.

Hon. Mr. LAWSON: There are possibly indirect charges in connection with radios in every country in the world.

The WITNESS: There is one observation which I might make, if you will permit me, there is just the thought that the improved program service that should result, if we do our job properly, might tend to counteract the complaint, in other words, it might create a new demand. Is it your desire that I should read this? These licence fees have been taken on a given date, because the rate of exchange varies from week to week. These figures were taken as of February 1st. Austria, \$6; Australia—

By Mr. Turgeon:

Q. What are you reading now?—A. These are the annual licence fees which the governments impose, if you like. Austria, \$6.

Mr. FACTOR: That was before Hitler came in wasn't it?

The WITNESS: If Herr Hitler puts it up to the German rate it will be \$9. Australia \$3.75 to \$8.75, according to zone.

Hon. Mr. LAWSON: This is in terms of Canadian currency?

The WITNESS: Yes, as of February 1st. Czecho Slovakia \$5, Denmark \$3.40, Germany \$9, Great Britain \$2.50, Irish Free State \$2.50, Italy \$6.50, New Zealand \$7.50, Norway, \$5, Sweden, \$2.50 and South Africa, \$6. And of course, as Mr. Lawson has said, nothing in the United States directly.

By Hon. Mr. Lawson:

Q. I would like Major Murray to go back to question No. 2, in connection with which I asked two things: in the first place, I asked for a computation of the aggregate of revenue to be received for time on the air throughout the United States advertisers under the contracts made between November 1st, and the date of my letter, which was March 10th. The answer to that is \$76,979.54. Now, will you please make this clear for me; is that \$76,979.54 the net revenue to be received from these contracts or is it merely the net revenue actually received up to March 10th, 1938?—A. No, that is the net cash value of the contracts for that period.

Q. When you say, for that period, you mean that is the amount of money to be received by the C.B.C., net?—A. Yes, for the C.B.C. basic network.

Q. From the time I indicated up to March 10, 1938?—A. Yes, from November 1st.

Q. Right. On the other hand to the extent that the same contract covers a future period of time the revenue is not shown?—A. No.

Q. And does the same apply to the time sold on the air to Canadian advertisers?—A. The same thing.

Q. And, Major Murray, I suggest to you that you have misconceived my question, because, if you read it, I asked for a computation—for the production of all contracts made—that is, contracts which were made between November 1st, 1937, and March 10th, 1938; and then I subsequently asked for the production of the aggregate of revenue to be received from time on the air sold to United States advertisers; not to be received in the period of time, November 1st, 1937, to March 10th, 1938?—A. Well, it is to be received, part of it, after that time; but that is the value of the portion which has been received.

[Major W. E. Gladstone Murray.]

Q. Oh yes, but that is not an answer to my question; I will put it that you have misinterpreted my question?—A. Might I make this observation, please; that American contracts are cancellable at 13 weeks—whatever the arrangement may be.

Q. That might be; that is not the point. I want to know how much revenue is anticipated under the contracts, and how much revenue you are entitled to receive if the contracts are carried out?—A. That would be the period they might last.

Q. For whatever period may be specified; the contracts must be made for a specified date?—A. They are all made for 52 weeks and they are cancellable at 13 weeks, as I said; or, whatever the arrangement may be.

Q. Cancellable after 13 weeks at your option?—A. And theirs.

Q. And theirs also?—A. Yes.

Q. And then, I want information for the full period of time for which the contract runs; and likewise I want the figures on the same basis for the Canadian advertising contracts.

Mr. FACTOR: That would necessarily mean the actual revenue received from these contracts, if they are still operating.

The WITNESS: No. It is the unexpired I have not given you—you want the unexpired contracts; is that it?

Hon. Mr. LAWSON: Right. I want to get the whole picture.

The WITNESS: The value of the unexpired contract is what I have omitted.

Hon. Mr. LAWSON: Right.

By Hon. Mr. Lawson:

Q. Now, Mr. Chairman, I take the answer which reads: "To produce contracts would not be in accordance with standard business practice." To indicate that the C.B.C. is unwilling to produce the contracts themselves to this committee; am I correct?—A. Yes; but I would go so far as to say this, that if anybody cares to go to my office I would produce them.

Mr. BERTRAND: In other words, the appointment and contract with say station CKCO, or any of the other stations members might be interested in; they could see that at your office?

The WITNESS: Certainly.

Hon. Mr. LAWSON: All right. I will take up your time and I will go to your office and look for this information there. Very well, Mr. Chairman, that obviates the necessity of my proceeding further along this line at this time. What I want to do is to get a look at these contracts, and so long as I can get at them I am satisfied.

The CHAIRMAN: I think Major Murray simply indicates that he does not want them to be in the public records, but that they are available to any member of the committee or to any member of the House of Commons or of the Senate.

Hon. Mr. LAWSON: Thank you. Bear in mind. I have no objection that they be not published in the record. The information I have been asking for I think might very well be filed with the Clerk so that members of the committee might have the information available to them. However, I am quite willing to go to Major Murray's office and look at the material there.

By Mr. Johnston:

Q. I wanted to follow up one thing so as not to leave it up in the air, and it is a matter affecting the C.B.C. with respect to which I can understand you might have some reticence in discussing. May I take it from your expression here this morning that it is your personal view that the amount of advertising now being broadcast over the C.B.C. chain should be further cur-

tailed? I take it from your answers that that was your personal opinion.—A. Well, I think some of our advertising programs might possibly be substituted with other types of programs with perhaps higher listener interest.

Q. You would substitute other programs for it?—A. My opinion is that as you improve the quality of your programs you can reduce the volume of commercial advertising done over the C.B.C.—

Q. In other words, your personal opinion is that it ought to be curtailed?—A. Yes.

Q. As a matter of fact, Major Murray, my recollection is that when you were a witness before the Radio Committee in 1932 your then view was that there should be no advertising over the national system just as there is no advertising allowed over the B.B.C. in the United Kingdom?—A. No, Mr. Chairman, as I recollect it I gave the view that in the circumstances peculiar to the United Kingdom it was possible to have a completely non-commercial system but that in the circumstances peculiar to North America I did not think it would be possible to do without advertising, and that perhaps it would not even be desirable to attempt to do so within any period of time that I could then anticipate.

Q. Because I assume that you realize that in so far as at least 60 per cent of the population of Canada is concerned if an advertising program produced in the United States is more attractive to them than a program being broadcast over your C.B.C. chain they can very easily get it by turning their dial to the proper wave length?—A. Yes, and I am also aware that they listen to these programs on the local stations.

Q. I quite appreciate that, but I am thinking in terms of the desire gradually to eliminate advertising, and I say you realize that probably 60 per cent of the population could still get programs by turning their dials and tuning in on the United States stations?—A. Quite so.

The CHAIRMAN: Gentlemen, it is 1 o'clock.

By Mr. Ahearn:

Q. When it was announced that the fee for broadcasting was being raised 50 cents did the managers of your corporation's stations receive a number of letters protesting or opposing the decision to raise the fee by that amount. You must have got a great number of letters or communications of one kind or another?—A. I would be glad to bring the actual number of letters to the next meeting, because I think you will be surprised at the relatively low public reaction. It may be, of course, that the listeners felt it was useless to write to us.

Hon. Mr. LAWSON: There certainly has been a lot of public reaction so far as members of parliament are concerned.

Mr. Ross: I don't know about that, I have not had a single protest from my constituency.

Hon. Mr. LAWSON: There has been a heavy protest from all over Canada.

The CHAIRMAN: It is 1 o'clock. What is your pleasure? Shall we sit to-morrow?

Hon. Mr. LAWSON: Could we not avoid to-morrow? We Conservatives never get a chance to go to caucus because of committee sittings.

The CHAIRMAN: We certainly do not want to deprive you of the privilege of attending such an important meeting. I think your party needs a lot of caucuses, Mr. Lawson. Then, if it is your pleasure, we will meet on Tuesday at 11. I think we ought to make an effort to try to finish this work before the Easter recess, we will have four sittings in which to do that.

Hon. Mr. LAWSON: There is no possibility in the world of doing that.

The CHAIRMAN: I thought you were nearly through, Mr. Lawson?

[Major W. E. Gladstone Murray.]

Hon. Mr. LAWSON: No, I am only starting to get the information I want to get.

The CHAIRMAN: We certainly do not want to curtail anyone's opportunity of getting information.

Mr. TURGEON: I am afraid you will have to give up your caucus if you want to get all you are looking for.

The committee adjourned at 1.05 o'clock p.m. to meet again on Tuesday, April 5, 1938, at 11 o'clock a.m.

SESSION 1938
HOUSE OF COMMONS

STANDING COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

TUESDAY, APRIL 5, 1938

WITNESS:

Major W. E. Gladstone Murray, General Manager Canadian Broadcasting Corporation.

MINUTES OF PROCEEDINGS

TUESDAY, April 5, 1938.

The Standing Committee on Radio Broadcasting met this day at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Ahearn, Barber, Beaubien, Dupuis, Edwards, Factor, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Nepawa*), MacLean (*Prince*), Patterson, Ross (*Moose Jaw*), Turgeon, Woodsworth (16).

In attendance: Mr. Leonard W. Brockington, K.C., Chairman and Mr. Alan B. Plaunt of the Board of Governors of the Canadian Broadcasting Corporation.

Also: W. E. Gladstone Murray, General Manager;
Donald Manson, Chief Executive Assistant;
Lieut-Col. R. P. Landry, Secretary;
Gordon W. Olive, Chief Engineer;
Harry Baldwin, Treasurer;
E. A. Weir, Commercial Manager;
J. Arthur Dupont, Commercial Manager, Quebec District;
William O. Findlay, Asst. to Chief Executive Asst.;
W. R. Mortimer, Assistant to Treasurer;
K. A. MacKinnon, Engineer in Charge, Transmission and Development Branch;
R. E. Keddy, Secretary to General Manager, and
T. T. Odell, Program Department.

Mr. W. E. Gladstone Murray recalled.

He presented answers to the questions asked for by members of the Committee at a previous sitting and was examined by various members of the Committee.

At 1.15 p.m. the Committee adjourned to meet again on Wednesday April 6, 1938, at 11 a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

April 5, 1938.

The Select Standing Committee on Radio Broadcasting met at 11 a.m., the Chairman, Mr. A. L. Beaubien, presiding.

The CHAIRMAN: Gentlemen, we have a quorum, and if you will kindly come to order we shall begin. When we adjourned last time I think there were some unfinished answers to questions asked of Mr. Murray; and if it is the wish of the committee, I think we should complete that information. There was the question of extracts from letters to the minister in regard to the increase of radio fees. I think Mr. Murray will read those. Is it the wish of the committee that Mr. Gladstone Murray read those extracts from that document, or shall we just put them on the record?

Mr. W. E. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, recalled.

Hon. Mr. LAWSON: I do not care.

The CHAIRMAN: What is the wish of the committee?

Hon. Mr. LAWSON: It was not my particular baby.

Mr. MARTIN: Mr. Ahearn raised the question.

Mr. MURRAY: I will read it.

The CHAIRMAN: All right, Mr. Murray, read it.

The WITNESS: Mr. Chairman, as you will recall, at the last meeting I read a précis of the various conversations and memoranda of interviews that had taken place between the minister, the governors and myself from October to December on the plan of financing, particularly with reference to the recommendation to increase the licence fee. To-day I shall read, and subsequently shall circulate, extracts from a personal and confidential letter of the 28th of October, 1937, addressed to the Minister of Transport and signed by the General Manager of the CBC.

(a) At luncheon the other day you asked me to let you have a letter setting out prospective developments with suggestions for financing. Such suggestions are necessarily based on the long term plan approved by the Board of Governors in December, 1936, of which the Ontario and Quebec regional transmitters represent the first stage. The purpose is to improve the coverage of the national network from its present 49 per cent of the population to about 84 per cent, giving maximum coverage at minimum cost. There should be, of course, also an up-to-date high power short wave transmitting system to give Canada her rightful place in world broadcasting.

(b) The basic principle prescribed by the Board of Governors as essential to effective control and success, is ultimate ownership by the Corporation of all high power facilities. The first instalment of the plan, now approaching completion, is a substantial and decisive move in this direction.

(c) It is understood, of course, that there would be no withdrawal of private station facilities until such time as at least equal service was available. My own feeling is that there will emerge a kind of partnership between public service and private ownership ranging in power up to 1 kilowatt.

(d) With respect to the financing of what we conceive should be the next instalment of the plan, the Maritime and Western regional stations, and possibly the short wave station, we suggest for your consideration a request that Parliament authorize the funds paid by listeners previous to the establishment of the Canadian Radio Broadcasting Commission in 1932. Over a million dollars was paid into this fund, and it might properly be said that it belongs to the listeners. I understand that it had been the intention to turn these funds over to the CRBC to enable it to carry out the technical plan of high power stations prescribed by the joint parliamentary committee of 1932, but that public finances at that time made the move impractical.

Then there is a quotation from the second report of the Special Committee on Radio Broadcasting of 1932:—

Your Committee recommends a chain of high power national stations operating on clear channels at suitable intervals, location to be determined by technical survey of Canada.

That concludes that quotation. The next extract reads as follows:—

(e) Apart from the funds necessary to proceed immediately with the three stations contemplated as the next instalment of the Corporation's plan, the \$800,000 additional annual revenues which a \$3 licence fee would make available, would enable all future financing both of construction and operation to be carried. With this additional revenue, the CBC could give Canada a broadcasting system and service second to none.

In conclusion, I trust that the above will at least provide a basis for discussion, and that some means may be found to enable the Corporation eventually to improve its coverage in those areas of Canada most in need of its service.

I would add by way of explanation that this letter was marked personal and confidential for the reason that it was not written with the specific authority of the Board of Governors, but was in accordance with the development of conversations. The reference to the \$3 licence fee—this was meant to be a licence fee for a household, not for an individual set.

The next represents extracts from a private and confidential letter, this time with the full authority of the Board of Governors, dated 8th of December, addressed to the Minister of Transport and signed by the General Manager of the CBC:—

(a) On October 28th we wrote you outlining some financial and other considerations relative to the development of the plan of national coverage. Since that time you have been good enough to give sympathetic consideration to the Corporation's future requirements in discussions with members of the Board of Governors. Also, as you know, the subject matter of my letter of 28th October was the basis of extensive discussion at the Board's meeting here on November 15-18 last. At the direction of the Board I am now writing to place before you some definite proposals. We are happy to think that you are in substantial agreement with these proposals and that it may be possible to implement them in time to permit the Corporation to plan its development for 1938.

As outlined in the letter of October 28th, there is reason to be confident that the Corporation will complete the fiscal year ending March 31, 1938, with a budget surplus of over \$100,000. While this result will have been achieved at the cost of considerable retrenchment and at the necessity of seeking additional commercial revenue, we trust it will have

[Major W. E. Gladstone Murray.]

established the Corporation's capacity to operate in a business-like way. This is the unanimous desire of the Board and myself. On the other hand, if the CBC is to develop as it should, augmented revenues for 1938-39 and subsequently will have to be found.

With respect to coverage, the 50 Kw. stations now opening at Hornby and Vercheres will decisively enhance the effectiveness of the Corporation's network. With regard to the development of the plan of national coverage generally, and in particular to the improvement of facilities in the Maritimes, the Board of Governors noted with satisfaction your statement at Moncton on October 12, the relevant passage being as follows:—

The Broadcasting Corporation has adopted, as a policy, government ownership and operation of the larger stations. In future, private stations will not be allowed to expand beyond one thousand watts, while existing larger stations will not be permitted to increase their present power. The Corporation will, however, proceed as rapidly as funds will permit to build a series of high power stations, which will in themselves give full coverage. Two of these stations are now under construction, one of 50,000 watts near Toronto and the second of the same power near Montreal. Studies are being made for a high power station to serve the Maritime Provinces, where present coverage is far from satisfactory, and it is hoped that funds will permit the construction of this station at an early date.

It was generally felt that the favourable reception of this speech throughout Canada is a happy augury for the future of the national scheme.

As stated in the letter of October 28th, the Corporation agrees that the improvement of coverage in the Maritimes should form part of the next instalment of the national plan, and be undertaken in 1938. We are also persuaded, for technical, practical and psychological reasons, both national and international, that simultaneous construction should be undertaken in the Prairies.

The next extract reads:—

(b) Perhaps the most important consideration is that it would be impossible for us to operate either a new station in the Maritimes or a new station in the Prairies on our present resources.

To finance the development of the CBC's plan, I am authorized to submit that we be granted an additional loan of \$500,000 on the same terms and conditions as the first loan; also, that the licence fee be increased from \$2 to \$2.50 as from April 1st next.

If the loan and increased fee requested above are granted, a substantial and decisive improvement in the Corporation's facilities and service can be accomplished in the fiscal year 1938-39.

This can be handed around, Mr. Chairman.

By Mr. Johnston:

Q. What date was that?—A. The 8th of December.

The CHAIRMAN: There was another question asked the other day. I think perhaps we could complete it now. It was by Mr. Alcorn as to the number of letters received in favour of the increased licence fee and of the number against it. Mr. Murray has prepared a survey of the letters from the provinces. We find that there were 203 letters in favour of the increase and 141 unfavourable to the increase.

Mr. AHEARN: Is that from all over Canada?

The CHAIRMAN: Yes. I will give you the figures by provinces as set out here:—

	Unfavourable	Favourable
Alberta.. . . .	43	176
British Columbia.. . . .	27	0
Manitoba.. . . .	5	2
New Brunswick.. . . .	3	2
Nova Scotia.. . . .	9	2
Ontario.. . . .	41	12
Prince Edward Island.. . . .	0	0
Quebec.. . . .	5	5
Saskatchewan.. . . .	8	4
	<hr/> 141	<hr/> 203

Hon. Mr. LAWSON: Does that include all the names on the petitions that may have been received too?

The WITNESS: Yes.

The CHAIRMAN: It includes all the reports.

Mr. EDWARDS: I suggest that each individual member hand in the list that he has received.

Hon. Mr. LAWSON: I have one telegram from British Columbia with over two hundred signatures.

The CHAIRMAN: The question asked by Mr. Ahearn was to give the number of letters received in favour of and against the increased licence fee.

Hon. Mr. LAWSON: Letters received by the CBC?

The CHAIRMAN: Yes.

Hon. Mr. LAWSON: That does not include any received by the Department of Transport, I assume.

Mr. MURRAY: No.

The CHAIRMAN: No, it does not.

Mr. WOODSWORTH: Surely numbers of that kind are not very significant.

The CHAIRMAN: Out of a million radio owners, it is three hundred and forty-four, according to this. There was another question asked, I think by Mr. Lawson, in regard to arrangements with other broadcasters. Have you got that? Do you want to give that, Mr. Murray?

The WITNESS: If you like—the arrangement with broadcasters outside?

The CHAIRMAN: Outside of Canada.

The WITNESS: Yes.

The CHAIRMAN: Would you like to give that?

The WITNESS: I would like to do that.

The CHAIRMAN: It was you who asked that question, Mr. Lawson.

Hon. Mr. LAWSON: From your wording of it, I do not just recollect what it was.

The CHAIRMAN: I think you asked what arrangements existed between Canadian Broadcasting Corporation and broadcasting systems outside of Canada. Am I right?

The WITNESS: It was in the matter of exchange programs.

Hon. Mr. LAWSON: Oh, yes.

The WITNESS: I mean sustaining programs in particular.

[Major W. E. Gladstone Murray.]

Hon. Mr. LAWSON: What I had in mind was that I read an excerpt from something I had seen printed, which showed that Canada imports from the United States 34 hours and exports to the United States 4½ hours; that from Great Britain we import 9 hours and export none; that from Germany we import one-half hour and export none. I was asking Major Murray if he would give us the exact figures from their records.

The CHAIRMAN: Is it the wish of the committee that we have that?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Go ahead, then, Mr. Murray.

The WITNESS: Mr. Chairman, with your consent I would like to frame these figures in an explanation of the arrangements, because I think they are only understandable in that way. First of all, take the B.B.C. because it is with the B.B.C. that we have the closest arrangement.

There has been a great increase in the number of exchange programs with B.B.C., particularly in the past six months.

Even one year ago we were taking only about fifteen minutes a day from the B.B.C. via short-wave. This was a haphazard arrangement, and Canada seldom knew what program it was to hear in advance. In fact, these B.B.C. programs were carried by approximately four stations—all in the province of Ontario.

Very few Canadian programs were sent to England—the only one worth noticing being Canada's contribution to the B.B.C. Empire broadcast on Christmas day.

Since June, 1937, the exchange of programs between the United Kingdom and Canada has greatly increased. During the week of March 27th, we took twelve hours of broadcasting from the B.B.C.

These programs are heard every afternoon except Sunday from two to four p.m. eastern standard time.

By Hon. Mr. Lawson:

Q. Being heard over the network?—A. Yes. As I was saying, these programs are heard from two to four p.m. eastern standard time, or from seven to nine, Greenwich mean time, which is the same thing, bringing us into the zone of the best program building periods of the national broadcasting service in the United Kingdom. This means that Canadians are able to hear some of the best early evening British programs, including concerts by the B.B.C. Symphony Orchestra and talks on world affairs by distinguished British observers like Sir Malcolm Robertson, Mr. Markham Stead and others.

Last week Canada sent half an hour to B.B.C. by transatlantic beam telephone—the program being an actuality description of the city of Quebec. Generally speaking, the balance is heavily in favour of the B.B.C. owing to the fact that the C.B.C. does not possess a modern short-wave transmitting station. The transmission of Canadian programs to the United Kingdom is costly by the ordinary telephone beam. During the period March 17 to April 17, however, the United Kingdom will have received three special programs from Canada—a special contribution on St. Patrick's Day; the actuality description of the city of Quebec on April 1, and a feature program about the St. Lawrence River on April 17. These programs are also being broadcast by the B.B.C. short-wave stations at Daventry, and will be heard throughout the entire British Empire.

Q. What number of hours will that show?—A. I will give you the hours later, if I may.

Q. All right, thank you.—A. We are doing our best to overcome the handicap of not having a short-wave station by making electrical transcriptions of outstanding non-musical Canadian programs and sending these to the United Kingdom, Australia and New Zealand for re-broadcasting. This system will be followed this summer with regard to our National Parks programs, and for example, the series will be known as "Summer over Prince Edward Island," "Summer Over Nova Scotia" and "Summer Over New Brunswick."

For a characteristic week in March, the number of hours taken from the B.B.C. a year ago—that is 1937—is one and a half hours; the number of hours sent to the B.B.C., none. In a characteristic week—well, take the week beginning March 27, 1938—the number of hours taken from the B.B.C. was eleven; the number of hours sent to the B.B.C., one-half. Of course, that half is not an average, because we send very few programs to the B.B.C., for the reason that I have stated; and I can assure you that is not because there is not anxiety for our programs. We are constantly being asked when we are going to have a short-wave station available, in order to adjust the balance.

That covers the arrangement with the British Broadcasting Corporation with which our closest relations naturally exist. With regard to exchange programs with the three American chains—that is, the National Broadcasting Company, the Columbia Broadcasting System and the Mutual Broadcasting System—the ratio of American and Canadian programs varies from week to week. During the week beginning March 27, C.B.C. took on its national network seventeen and a half hours of sustaining programs from the American networks. During this same week C.B.C. fed six hours of sustaining programs to the American networks.

In comparing these figures, it is worth bearing in mind that there is only one Canadian network while there are three American networks. For instance, we take the N.B.C. Symphony Orchestra, and the N.B.C. Music Appreciation Hour and these, between them, total two and a half hours each week. From Columbia we take the Saturday morning concerts of the Cincinnati Conservatory of Music, and the Sunday afternoon concerts of the New York Philharmonic Orchestra. These total three hours a week. We try to get Mutual programs which are conducted by such outstanding American musicians as Alfred Wallenstein, Henry Weber and Morton Gould and other specialists in the lighter type of entertainment.

Another point perhaps worth noticing is that the C.B.C. feeds the Mutual system more programs than it takes from Mutual. This is an interesting comparison because Mutual is in a position somewhat similar to our own. It is a new enterprise (three years old) and is in direct competition with the two Major American networks.

Now, here are some figures on the exchange of programs—sustaining programs—between Canada and the United States. I would like to take representative weeks in March, and will take the week beginning March 21, 1937, and the week beginning March 20, 1938, to show what has developed in that period. In the week of March 21, 1937, we took from the United States networks 9½ hours and we sent to them 4½ hours. The corresponding figures for the week of March 20, 1938, were six hours and seventeen and a quarter hours.

Q. Excuse me, but which is the seventeen and a quarter hours?—A. The seventeen and a quarter hours is from the United States networks. To the United States networks, 6 hours; from the United States networks, 17¼ hours. Those are hours.

Figures for individual programs are as follows:—

1937—to U.S.A., 10; from U.S.A. 13;

1938—to U.S.A. 15; from U.S.A. 25.

[Major W. E. Gladstone Murray.]

The second set of figures are the number of programs. The number of programs, of course, depend upon the character and nature and length and so on of the program. I think a fairer guide is the actual amount of time.

I think it is relevant to add some figures as to the cost of outstanding American sustaining programs. Before giving that I might say that the B.B.C. symphony orchestra which is now heard in Canada on Wednesday afternoons from Queen's Hall in London has 119 full time members and the salary list alone is in excess of \$500,000 a year. The cost of the Toscanini series to the N.B.C. is \$412,000. The N.B.C. pays the Metropolitan opera \$100,000 for the right to broadcast that series, in which Canada shares. The annual expenditures of the N.B.C. on sustaining programs, all of which except a small proportion on the west coast which are not available in the east, are given at \$10,000,000. It is understood that the Columbia Broadcasting System pays \$365,000 a year to the New York Philharmonic Society for broadcasting rights on that account. I give this by way of addendum to the explanation of the arrangements with the B.B.C. and the principal chains in the United States in order to justify the claim that we have access to an altogether remarkable source of program material on a basis which is one of free exchange.

By Mr. Factor:

Q. May I ask what is the monetary consideration involved in these exchanges—no payment made either way?—A. No.

MR. MARTIN: I would like to ask a question on another point altogether.

The CHAIRMAN: Does anyone desire to ask any further questions on that point?

By Hon. Mr. Lawson:

Q. I wanted to ask a question arising out of the correspondence between Major Murray and the minister. I notice in one of those letters a reference to having 49 per cent coverage in Canada by the C.B.C., and that statement of that figure I think was made by Mr. Brockington. Now, the circular put out by the N.B.C. advertising the Canadian facilities which were available to United States advertisers by virtue of their arrangement gave the actual population reached by the network—the two stations in Montreal—excuse me, I want to be accurate in this—they gave the population reached by the stations available in the Montreal and Toronto areas with the result that they showed about two-thirds of the population of Canada were covered by those stations. Now, you spoke of 49 per cent and they say 66 $\frac{2}{3}$ per cent. Which is correct? Is there some other explanation?—A. We are using a different criterion of coverage. They are including the secondary area. Ours is for primary coverage which is a constant, strong, clear, uninterrupted signal twenty-four hours of the day. The N.B.C. in advertising the national network in Canada takes into account the coverage of twenty-seven privately owned stations that are attached to our stations.

Q. Those same private stations are all part of your network?—A. Yes, they are all part of our network and their coverage is included in this 49 per cent.

Q. In other words, the real explanation of it is—we will take, for example, the station at Hornby because of its broadcasting power—and that station may be heard all over the province of Ontario?—A. Yes.

Q. But you do not consider that it gives primary coverage to the whole of the province of Ontario because in some sections of Ontario it may be difficult to hear it clearly and distinctly and without interference?—A. That is it.

Q. Now, I am going to ask something else, and I am seeking information. I have been led to believe that the area which is now covered by the 50,000 watt transmitter at Hornby was already well covered by private stations? Would that be a correct statement or not, Major Murray?—A. My information is that it is not correct; that the coverage before was very patchy, definitely patchy.

Q. In other words, it may have secondary coverage but it did not have primary coverage?—A. Yes, that would be accurate.

Q. And would the same answer apply with respect to the area covered by the new station at Vercheres?—A. I think, perhaps, with this modification, that the advantage gained by the new station at Vercheres is more decisive because there are many more privately owned broadcasting stations in Ontario than there are in Quebec.

Q. Than there are in Quebec?—A. Yes.

By Mr. Martin:

Q. Major Murray, referring to the precis of letters circulated this morning, in "D" you make reference there to \$1,000,000 which, I presume, is the \$1,000,000 that lies to the credit of moneys collected from licence holders from 1922 up until 1932, in the consolidated revenue fund, is that it?—A. That is right.

Q. Now, that money was really collected from listeners, was it not?—A. Yes.

Q. Have the governors of the Canadian Broadcasting Corporation taken the stand that this money in their judgment really belongs to the Canadian Broadcasting Corporation?—A. They have taken the stand that it belongs to the listeners.

Q. That it belongs to the listeners. I would agree with that, certainly. Now, what consideration was given by way of urging the government to use this fund for the needed extensions that had to be made instead of increasing the radio licence fee?—A. The representations are given here, supplemented by—

Q. I will read the letter, but it does not bear that out. The letter is not complete enough to indicate that. Let me put my question another way. This money clearly is in trust, and while it is in the Consolidated Revenue Fund it certainly is a trust fund. Now, what effort has been made by the present Governors to get this money either through an appropriation by parliament or by any other method, and what measures were taken by your predecessors to get hold of this fund for legitimate purposes of the broadcasting corporation?—A. I might answer the last part of your question first. I am unaware of any efforts taken by the Radio Commission. So far as the Corporation is concerned, it has been suggested seriously and officially to the minister that the proposal be considered; that the capital outlay of the Corporation in the completion of the whole plan of national coverage should be met from this source, but not that the cost of maintenance should be so met. In other words, this million dollars is not a solution of the problem of maintaining the whole plan of national coverage once it is established. It is, however, a very fortunate way to get that capital expenditure met without putting a very heavy burden in repayment and in interest charges.

Q. Have you any records to show what the attitude of the previous government of Canada in respect to this fund was? Were representations made by the previous radio committees of this House in respect to this \$1,000,000?—A. Not to my knowledge.

Q. Were any representations made by anyone on behalf of the previous set-up of the committee on radio broadcasting for the utilization of this money?—A. I have no knowledge.

Q. I asked that, because at the bottom of the circular which you have sent around this morning there is the following. I will read the last sentence:—

I understand that it had been the intention to turn these funds over to the CRBC to enable it to carry out the technical plan of high power stations prescribed by the Joint Parliamentary Committee of 1932, but that public finances at that time made the move impractical.

[Major W. E. Gladstone Murray.]

That was the government of the day, according to the records we have got.—A. I put it advisedly in that way because I could not support it by documents. It was information given to me that there had been discussions, but there was no record of it, and if my information was correct the government had suggested that the general state of the public finances would not then permit of the endorsing of that application.

Q. Would you agree that if this million dollars was made available now—I am speaking for myself as one of the members of the committee and I certainly think it should—there would be no occasion to increase the radio fee?—A. No, sir, I could hardly agree to that; but I suggest that if it were made available serious consideration might be given to a possible revision of the incidence of application of the radio fee.

Q. Now, I cannot understand that answer.

Hon. Mr. LAWSON: There might be one license for every household instead of several?

The WITNESS: Something of that sort. As I have already mentioned in evidence, suggestions have been raised, for example, that there should be a \$2.50 fee for households and, perhaps, \$1 for an additional set, or there should be a maximum of \$5 or there should be a \$3 licence fee for households. That would be a field which I suggest might profitably be explored.

By Mr. Martin:

Q. What I meant when I said I did not understand your reply was this: the evidence before the committee now is that you do not expect to raise anything like \$1,000,000 by the increase?—A. Well, sir, there are two separate considerations. They are capital and maintenance. What we can do with the increase is to take care of the burden of growing service, the development of programs, the development of technical facilities and maintaining them. We cannot find the capital from the increase of the licence fee.

By the Chairman:

Q. Major Murray, don't you think that the Canadian Broadcasting Corporation should try to get that \$1,000,000 in order to build a short wave station, because you have emphasized the importance of a short wave station especially for broadcasting across the sea?—A. Mr. Chairman, it is a very important consideration, so much so that I suggest it is one of national concern, but it would have to be debated to what extent the licence fees of listeners in this country should be utilized for that purpose; in other words, would we be justified before we have completed our scheme of national coverage, before we have reached the isolated areas—would we be justified in diverting a quarter of a million of capital—because it would cost at least that—to build a high powered station in order to put Canada on the world's short wave dials. However important that may be, my own feeling has been that we must give priority to Canadian coverage. If there are other considerations involved then, perhaps, there is a matter of broad national policy.

Q. In other words, if you got that \$1,000,000 you would be in favour of increasing facilities in Canada rather than building a short wave station?—A. If there was any money left over, certainly; but we would have to concern ourselves with making the coverage in Canada equitable and efficient.

By Mr. Edwards:

Q. That \$1,000,000 was raised in exactly the same way you are raising your fees to-day?—A. Yes.

Q. But it does belong to the listeners, does it not?—A. That is my view.

Q. Would it be fair to use that money for building a short wave station in view of the fact—take this instance; perhaps it is not a good way to take it—but the short wave station would be particularly good for newspapers; but to ask the individual owner of a radio or the owner of two or three radios to pay entirely for that service would not seem right; it would seem to me a service that should be built entirely by the government, by a grant from the government so that all would participate in the cost. That is what I am trying to get at. I am suggesting that instead of taking it out of the fees or the revenue which you have, a separate grant should be made entirely by the government and the cost should be borne by all the people for a short wave station. That is only a suggestion.

By Mr. Barber:

Q. With regard to the short wave station, it has been suggested to me by those installing short wave stations that they could do away with the leasing of wires, for instance, from one end of Canada to the other; is that possible?—A. Well, Mr. Chairman, I am advised by technical experts that that is still in the laboratory stage, but is a possibility for the future that land lines linking the transmitters may be replaced by short wave, perhaps, on what they call micro waves. However, it is not out of the laboratory stage yet.

Mr. MARTIN: Let us get back to that \$1,000,000.

Hon. Mr. LAWSON: He wants that \$1,000,000.

By Mr. Martin:

Q. My reason is that I am so opposed to this increase that I am trying to assist in seeing if we cannot find other ways of getting the money required. Now, Major Murray, this \$1,000,000 represents, does it not, the actual amounts that were built up year by year after all charges—the costs chargeable to the Department of Marine have been deducted?—A. That is right.

Q. I do not want to ask for something I have no right to ask for, but I do feel, Major Murray, that if you could give us something more definite about the efforts that have been made to get this money credited to the C.B.C. than you have given us you should give it. If you think you should not give it you can say so.

The CHAIRMAN: I doubt that very much. Was not that million dollars collected before the Canadian Broadcasting Corporation came into being?

Mr. MARTIN: There is no question about that. I have said that.

Mr. EDWARDS: But it was collected for this purpose.

Mr. MARTIN: This money belongs to this purpose and nothing else.

The CHAIRMAN: The point I want to make is that the C.B.C. did not exist while that million dollars was being collected.

Mr. MARTIN: I have said that. The point I am trying to make is that this money was collected for a definite purpose and that it can be used only for that purpose, and it should be turned over to the C.B.C. so that it can carry on its work. Possibly if it had been turned over there would not be this irritation by reason of this increased fee.

By Mr. Factor:

Q. What happened to your suggestion that the government authorize an additional loan of \$500,000 on the same terms as the first loan? Was that turned down?—A. No, I believe that is being implemented.

Q. That will be used for capital expenditure in connection with the situation?—A. Yes.

[Major W. E. Gladstone Murray.]

By the Chairman:

Q. According to Mr. Brockington and yourself, Major Murray, you are both of the opinion that this million dollars which is in the consolidated revenue fund really belongs to the listeners of Canada?—A. Yes.

Q. And that if you could get really what belongs to you you could improve the system a great deal beyond the extent it exists to-day?—A. On the point of your last question, I might say that this has been urged almost to the point of importunity, and it has been my hope that, perhaps, this committee might advance a common enterprise so eloquently expressed by Mr. Martin.

Mr. MARTIN: I am trying to help.

By Mr. Johnston:

Q. Will you consider cancelling the request for an increased fee if you got that \$1,000,000? Would you still ask for the \$2.50 fee provided you did get that \$1,000,000?—A. To state the matter in its simplest terms, we have to have capital to operate a high power scheme and when it is operating we have to have three and a half millions a year. That is the consolidated permanent budget of the national broadcasting system in Canada when it is established.

Q. That \$1,000,000 would not be sufficient to carry out the program without the increased fee, would it?—A. No, it would not because we have to deal with the whole of the capital expenditure. It is mixing two things to suggest it would. We have to get three and a half millions a year if we are going to go ahead and make this policy effective.

By Mr. Martin:

Q. I may be dense this morning but it seems to me that your answer does not altogether cover the situation. All you can hope to get by the increased fee is about one-half million dollars?—A. Much more than that, I think.

Q. Much more? What do you estimate?—A. I would say this—I am not contradicting you—but we are necessarily estimating that \$600,000 would be very conservative and \$800,000 is what is really wanted and what is expected it will yield.

Hon. Mr. LAWSON: I think you will get it. You had one million licensed last year and if you get one-half dollar that is half a million, and with the extra sets paying \$2.50, I think \$800,000 would be conservative.

The CHAIRMAN: And there would be an increased number of radios.

Hon. Mr. LAWSON: I am not so sure of that.

Mr. FACTOR: Against that you have to consider lack of enthusiasm on the part of certain people to pay this added radio licence fee.

Hon. Mr. LAWSON: That is why I spoke of the increased number of radios. I am starting to get letters from people now in which they state that they are cutting off their radio.

By Mr. Edwards:

Q. Major Murray, take two hotels in the city of Toronto, the Royal York and the King Edward. I understand that there are two receiving sets in the Royal York and a set in every room in the King Edward. What will be the situation in the case of licences for the Royal York hotel with a couple of sets and the King Edward with five or six hundred?—A. The attitude taken on that—for example, in the Royal York hotel there is only one receiving set with extensions to each room. The idea technically is that no tubes or apparatus are employed in the loud speaker in the rooms; it is simply an extension.

Q. One system is up-to-date; the other is not; is not that the case?—A. I would like to have notice of that question and inquire into it, because it involves a certain legal point. I shall answer it at the next meeting.

By Mr. Woodsworth:

Q. I am not quite sure about the service in the big hotels. What fees are paid?—A. I will give a report on that at the next meeting. That information is in the hands of the Minister of Transport. It is part of the general function of enforcement, and I will get a report on that specific point from the officials concerned, because I have not got that information available here in detail.

By Mr. Hamilton:

Q. Might I ask one or two questions? The assets of the C.B.C. are owned by and vested in the corporation, are they not?—A. Yes.

Q. As I understand it—I do not want to repeat what has been said, but I want to get the facts clear—that would have been paid for finally out of licence fee money?—A. Out of licence fee moneys, supplemented by advertising revenue.

Q. That is correct. It would not be anything in the way of a grant?—A. No.

Q. As you state, I think you consider the C.B.C. trustees for the listeners of Canada?—A. Yes.

Q. But, as a matter of fact, if the C.B.C. were to hand over its assets tomorrow to a commercial organization, say, that money would not be listeners' money, it would be federal government money?—A. If the C.B.C. went out of existence, yes; it reverts to the Crown.

Q. It could not be held for the listeners?—A. Except that, under constitutional regime, the Crown represents the people.

Q. It could not in any sense go back to those who had paid licence fees?—A. A redistribution of the licence revenue?

Q. It could not go back to the ordinary revenue of the dominion—I do not know what the technical term is—it would belong to the people of Canada as a whole?—A. Yes.

By Mr. MacLean:

Q. You know, Major Murray, about the difficulty that has arisen in connection with the \$2 and the \$2.50 licence fees. It was held that a battery set would come under the \$2 fee. It now appears that those who are living near a power line or in a village that is served by a power line are liable to the \$2.50 fee even though they operate a battery set.—A. I would like to bring the actual wording of the regulation at the next meeting, because this has to do with a problem that does not come within my province. If I am permitted to bring a precise answer I will get it from the Department of Transport. My impression is it was the intention not to confer the privilege of a reduced fee to the areas normally provided with electric current. It was supposed to be a benefit for the isolated areas, particularly to the farmers outside the reach of electricity, where they have a great deal of difficulty and additional cost in keeping batteries going at considerable distance from recharging plants. I believe it costs them up to \$10 to \$15 a year to keep the batteries maintained. The intention was to confer a special benefit on these people; but I should like to provide the actual wording of the regulation under which this is being interpreted.

By Mr. Johnston:

Q. Suppose a person was living in a town where they could not afford electric light facilities in their house. They would be charged \$2.50 although they were using a battery set?—A. I should like to reply to that with the "book of words" in front of me. Again you are asking me something that is outside

[Major W. E. Gladstone Murray.]

my immediate province in so far as enforcement is concerned. I shall undertake to bring the actual answer at the next meeting. I am not sure myself what the attitude is towards the case you raise in the city.

The CHAIRMAN: These would be very isolated cases.

Mr. JOHNSTON: There would be a case, though.

By Mr. MacLean:

Q. I may say I was speaking to a member of the Radio branch, Department of Transport this morning who is in charge of that particular work. The branch is of the opinion that as the Act stands at the present time they have to pay \$2.50. From that has arisen a great deal of correspondence and trouble. They intimated to me that they were giving the matter further attention, looking to a reconsideration. As Mr. Johnston says, if a person is living near a power line and chooses to operate a battery set it seems scarcely fair that he would be compelled to use electricity or pay \$2.50. There is going to be a little difficulty in connection with the fees there.

The CHAIRMAN: We will get that information from the Department of Transport for the next meeting.

Mr. ISNOR: I should like to follow along the questions Mr. Hamilton raised. There is no question to be asked, is there?

The CHAIRMAN: Mr. Murray has not finished answering some of the questions that were asked at the last meeting that he was not prepared to answer. Shall we go on with them now?

Mr. ISNOR: That will be all right.

Mr. FACTOR: If Mr. Isnor wants to talk about the \$1,000,000 again perhaps we had better finish it.

By Mr. Isnor:

Q. I should like to get the financial background, if I may, to understand the future. There were certain grants or fees made amounting to \$1,500,000 to the Canadian Radio Broadcasting Commission. Am I right in that, Major Murray?—A. What year was that?

Q. It is in the report of 1936. It does not matter, really, what year, but there were certain fees amounting to \$1,500,000 advanced to the former commission. Now, where does that reflect itself in your present statement?—A. Under the former consideration of public service broadcasting the radio commission was virtually a part of the normal Civil Service and had to have its fees voted in the ordinary way in the House, even though they came from listeners' money. This is listeners' licence money, not capital voted to the Radio Commission at all.

Q. It is shown in the statement of receipts and expenditures for the fiscal year 1935-1936 as parliamentary vote 241, \$1,500,000? That was a vote from licence revenue?—A. That was a vote from licence revenue, yes.

By Mr. Factor:

Q. I understand the licence fees were paid into the Consolidated Fund, and then there was a parliamentary vote?—A. Yes.

Q. For the necessary expenses?—A. That is it.

By Mr. Isnor:

Q. That is what I am coming to. I want to get at that \$1,000,000. The \$1,000,000 represents only part of the \$1,500,000?—A. No, because the \$1,000,000 was collected before 1932.

Q. At the present time have you any loan at all?—A. Yes, we have \$500,000 loan, specifically mentioned in the Broadcasting Act of 1936.

Q. Does that show as a loan in your statement at the present time?—A. Yes, the statement that was tabled the other day, eleven months ending February, 1938, \$500,000 is shown as a liability, a dominion loan; it was circulated in answer to Mr. Lawson's question.

Q. I have in my hand a balance sheet of March 31, 1937.—A. Yes. We did not get this money until February 28, 1938.

Q. That accounts for it?—A. Yes.

Q. Now, in your last statement there was nothing outstanding in the way of a loan?—A. No.

Q. But in your next statement there will be \$500,000?—A. Yes.

Q. Is that \$500,000 the amount that you are now making application for?—A. No.

Q. That is additional?—A. Yes, that is right, because that was the amount that was obtained to take care of the main expenditures at Vercheres and Hornby.

Q. At the end of 1938 you will have \$1,000,000 unless you borrow additional fees?—A. Yes.

Q. If you had the \$1,000,000 which would appear to some of the members rightly belongs to your corporation to carry on as you wish by way of a reduction in licence fee or for other progress that you might have under consideration or other developments, you could rightly offset one item against the other, make a cross-entry of a million dollars against this loan and then wipe out the two \$500,000's?—A. Yes, that could be wiped out and the budget reconstructed.

Q. Why not set the thing up in its true light and have this committee recommend the placement of the \$1,000,000 which rightly belongs to you at your disposal, and show it from the very first as a true picture to offset the other? I would say under proper financing that is the way to do it. There is \$1,000,000 that rests there in trust. Then, I suggest to you, you would be justified in making application for that \$1,000,000 and showing it in your 1938-1939 statement as a receipt against the two \$500,000 loans. In that way you have a true picture, as I see it. Am I correct in that?—A. It would have the effect of saving \$134,000 a year for ten years.

Q. You would save \$134,000?—A. Yes.

By the Chairman:

Q. Because you are paying interest?—A. Yes.

Hon. Mr. LAWSON: Because they are paying interest.

Mr. ISNOR: That is one consideration from your standpoint.

Mr. FACTOR: The other point is the government considers the \$1,000,000 not a trust for the Broadcasting Corporation but a trust for the people.

The WITNESS: We are paying the first back at the rate of \$50,000 a year and \$17,000 interest. The same would apply to the second half. I quite agree that the whole budget could be reconstructed favourably if the \$1,000,000 were considered as a grant in terms of the money paid in by listeners before 1932. I would not like, however, to provide at this time a detailed revision of the budget, but if it is the desire of the committee I shall have that prepared before the next meeting.

Hon. Mr. LAWSON: To compare a revised budget would not get anywhere. Suppose they had the \$1,000,000; suppose the C.B.C. had the \$1,000,000, and out of that \$1,000,000 they paid back the \$500,000 to the government, would not the result be on your new budget you would simply show a capital surplus of \$500,000 greater than it now is? Then you would spend \$500,000 to build your two stations in the Maritimes and the West, and you would reduce your capital surplus by the amount of capital expenditure? I do not see where it would make any difference.

[Major W. E. Gladstone Murray.]

The CHAIRMAN: I believe I see Mr. Isnor's point. He is anxious to get all the information possible on the record in regard to that \$1,000,000, because he believes that that \$1,000,000 belongs to the listeners and should be given to the Broadcasting Corporation. I believe his point of view is that if we get all this data on the record we might be able to make some recommendation to the house when we make our report which would really bring that \$1,000,000 back to where it should belong.

Mr. ISNOR: That is the point. There is one other factor entering into it. It would save \$134,000 plus the continual question of what we are going to do with this \$1,000,000 which is in trust.

The CHAIRMAN: I can remember in the radio committee of 1936 that the \$1,000,000 was very much to the fore.

Hon. Mr. LAWSON: I have no desire to defend the present ministry, but I assume their position is as they are spending each year \$200,000 out of the Consolidated Revenue Fund, for the purpose of eliminating interference and so forth, the \$1,000,000 has long ago been exhausted by the accumulation of the annual expenditure out of the Consolidated Revenue Fund.

The CHAIRMAN: For which the radio broadcasting stations get the benefit.

Hon. Mr. LAWSON: That is true; it is the listeners who get the benefit.

Mr. FACTOR: I think we should congratulate Mr. Lawson for coming for the first time to the defence of the ministry.

The CHAIRMAN: Mr. Murray has some more unfinished questions of Mr. Lawson's with respect to the Canadian radio employees occasionally and regularly employed. Am I right?

The WITNESS: That is one point.

Hon. Mr. LAWSON: Before Major Murray goes on with that I should like to say that one of the members of the committee sitting behind me asked me to read some letters with respect to the point in connection with the increased number of radios in use that you anticipate. I went up to my room and in a hurry selected one, because it is the most recent I have received, and because the gentleman who wrote me intimates in his letter he has no objection to any use I may make of the copy he sent me.

The CHAIRMAN: What is his name?

Hon. Mr. LAWSON: His name is here and his address and so forth.

The CHAIRMAN: There will be no increase in the number of radios?

Hon. Mr. LAWSON: The number of radios in use. Some member behind me asked me to ask the question.

The CHAIRMAN: That is only one man's opinion.

Hon. Mr. LAWSON: I do not care what you do with it. I am simply offering it at the request of one of the members. Here is the letter, if you want it. The letter is written by Mr. Bert B. Jacobs, and is as follows:—

300 HURON STREET, LONDON, ONTARIO,

April 1, 1938.

MESSRS. DEPT. OF TRANSPORT,
Ottawa, Ontario.

Radio Division

DEAR SIRs:

I am enclosing an express money order for two dollars and fifty cents for the renewal of my licence for a Stromberg-Carlson receiver. Please be advised that my Zenith receiver is being dismantled this date and will no longer be maintained in operation.

It was my intention to add two additional small receivers to the house this season but these plans have been cancelled.

I would like to submit that I oppose public broadcasting in Canada for two reasons, namely:—

For any organization, at the public expense, to provide programs that are so uniformly dull and uninteresting is an achievement, as does the C.B.C., but not one that I for one relish paying for.

The C.B.C. is accomplishing nothing that a privately-owned corporation could not accomplish with less cost to the listener on the one hand, and with far more sparkle, virility and greater appreciation of the desires of the vast majority of the listeners, on the other.

Yours very truly,

(signed) Bert B. JACOBS.

The CHAIRMAN: If you will permit me, I have a very important letter I should like to put on the record. It is addressed to the Chairman, Canadian Broadcasting Corporation, Ottawa, Ontario.

6 DOMINION BLOCK, 100 STREET, EDMONTON, ALTA.,

February 3rd, 1938.

DEAR SIR:

In sending you herewith my cheque for \$5 to cover my radio licences on my car and home machines for 1938, I am breaking a hard and fast rule of the past which was never to pay this licence until I was forced to do so.

For the first time in Canadian history I can see value for my money in a radio licence, and I more especially congratulate you on the most welcome additions to your programs since the first of the year. I know you are under the guns of our eastern-owned newspapers over these additions, but in the minds of all westerners, anything or anybody they knock must be pretty good, so keep it up and rest assured you have the sympathy and support of at least 95 per cent of all Canada west of the Great Lakes.

This is signed by Mr. R. H. Powell. I do not know whether Mr. Johnston knows him or not, but he is from Alberta.

Mr. AHEARN: Which Powell is that?

Hon. Mr. LAWSON: I really think for your edification I ought to bring down some from your neck of the woods, because I have several from there.

The CHAIRMAN: After this little bit of humour I think Mr. Murray had better go on.

By Mr. Isnor:

Q. About these increases. One shows an increase of 50 cents, or 25 per cent, and the other shows an increase of 75 per cent as compared with last year from a revenue producing standpoint.—A. The unfinished questions from last meeting, Mr. Chairman, included a revised form of answer to one of Mr. Lawson's questions dealing with commercial revenue actually booked, recorded from November 1. The figures I have given were given in a misunderstanding of Mr. Lawson's question. I now have them revised so that they cover the contracts which were signed from November 1 to March 10, and they include all commitments for business undertaken in that period and unexpired at the end of the period. I assume that there would be no cancellations of any of the contracts. Now, that is set out in a document which is being circulated and it is accompanied by an explanatory document which perhaps will be

[Major W. E. Gladstone Murray.]

useful in making it easier to understand the item which has been introduced; that is to say the private stations' share of revenue. United States, Canadian, and local. The accompanying explanatory document is a break-down showing percentage income to C.B.C. and to a private station on the C.B.C. national network on one of a series of twenty-six programs—based on a sample station rate of \$100. An examination of this document will perhaps save the members of the committee a great deal of searching of complicated figures, adjustments and rates and so on, because it sets out on a miniature scale the whole framework of discounts, commissions and other arrangements whereby this business is conducted. It should be noted that after discounts have been taken care of and the commissions duly adjusted, the net profit to the Canadian Broadcasting Corporation was \$4.62; whereas the net income to the privately owned station concerned was \$45.

By Hon. Mr. Lawson:

Q. Not net, gross?—A. I beg your pardon, gross, yes, \$45. Now, it might be suggested, why establish this network, what particular interest is there in going to all this trouble in making these arrangements if the net profit is \$4.62? So, I should like to read the notes that are appended:—

In addition to above net of \$4.62 on station time alone, C.B.C. makes a revenue from transmission circuits.

C.B.C. also is saved the cost of providing a sustaining program to fill the time occupied by the national sponsored program. This would amount to several hundred dollars; it also permits concentration of limited resources on the production of better corporation sustainers.

National sponsored programs also provide particularly acceptable entertainment especially of the popular kind enabling the C.B.C. to pay more attention to programs of an educational and cultural type.

Privately owned stations on the corporation's network, in addition to being remunerated on a high percentage basis for a network, have the whole standard of their programs elevated, their audiences increased and the value of their other time enhanced.

There is one other document which, unfortunately, I have not stencilled but I think it is relevant to the purpose of the question which is now under review; that is an analysis to show the actual cost to the Corporation of securing a revenue of approximately \$500,000 from the sale of time and lines. I should like to put these figures on record. They are an estimate for the year which will end on the 31st March, 1939, based on the experience of the operations of the past eighteen months.

In order to get \$497,000 of revenue from the sale of time and lines, there is required a gross sum of \$700,000, of which \$105,000 is paid in commissions, \$49,000 excess and duplicate lines, \$49,000 station charges.

Q. Could you go a little slower with these figures, please. The commission is what?—A. \$105,000; excess and duplicate lines charges \$49,000, station charges \$49,000—that is an additional—making a deduction of twenty-nine per cent or \$203,000. That means a total of \$497,000. I am advised that this is a reasonably close estimate. Those three documents, Mr. Chairman, are meant to give an adequate picture in the sense of Mr. Lawson's questions.

By Mr. Barber:

Q. What is meant by station charges there?—A. That is money paid to private stations.

Q. On the network?—A. Yes.

Q. Is that graduated according to the size of the station and the coverage?—A. According to card rates adjusted by mutual agreement. It is set out in the rate cards that were distributed the other day, for each station.

There was a further question about the employment of artists in Canada and the figure given, I believe it was, by the chairman of the corporation, of 2,801. There was a break-down of that asked for, and I would like to have this circulated. The number of artists actually employed by C.B.C. for the calendar year of 1937 was 2,801. These are Canadian artists.

Exclusive of groups and choirs paid in bulk. A total of 2,801 different artists was employed during 1937. 13.3 per cent of these artists engaged received over \$300. 17.5 per cent received more than \$250.

I would like to explain that, with the development of broadcasting on perhaps a more professional basis, it is not only convenient but it is also desirable to establish a hard core of professional talent in each of the production centres. Of course, there are very good reasons for spreading the net as widely as possible. It is our duty not only as broadcasters, but also particularly as public service broadcasters, to see that no worthwhile talent is missed. We have perhaps a more elaborate audition service than we can afford, strictly speaking. On the other hand, with the growing standards of broadcasting, we have to be very careful not to give undue attention to what you might call extraneous considerations such as geography and so on. We cannot risk putting on an inferior orchestra simply because it has happened to come from a certain section of the country which may not have provided artists for a certain period. So what we are trying to do, as we can afford it, is to encourage local talent, to train it and groom it to a standard which will be an acceptable feature to be put on the network.

By Hon. Mr. Lawson:

Q. I understand, Major Murray, with regard to that figure of 2,801, that where you employed an orchestra, for example, it only counts as one—not the number of people who happen to be in the orchestra?—A. No, it does not count. It counts as one.

Q. Yes, it just counts as one?—A. Yes.

By Mr. Hamilton:

Q. I should like to ask a few questions with reference to this statement—once again on the important question of big centres as against smaller centres. As I said before, we in the smaller outlying sections appreciate the policy of the C.B.C. with reference to the taking care of their wants. Now, I am just wondering, from reading the list of stations that are using Canadian artists, what chance there is for the budding artists, or possibly budding artists from the outlying centres to get an opportunity over these stations?—A. Well, I might answer that in this way, that the chance of the budding artist grows with the development of our organization. For example, where we have our own transmitters as in Ontario and in Quebec, other organizations keep pace. We have scouts for talent and we have, therefore, a more adequate organization in dealing with such talent. In the prairie provinces and in the maritimes we have not yet developed our regional headquarters. We have not got scouts, but we have to try and improvise. So far as places like Regina and Saskatoon are concerned. We have to send from Winnipeg, an already overworked nucleus program staff. They have to do the scouting job and the audition job, in addition to their ordinary work. But I see considerable change in that position with the attainment of our next stage of development. When we have provided regional western organizations with scouts and so on, we shall be able to provide a much better service in terms of sifting talent and of giving aspiring artists the opportunity which they deserve. The first job, of course, is to give them a fair audition; and the second job is to give those who deserve it an opportunity of appearing on a program. Both those are obviously much easier where we have our own organization and our own transmitting equipment.

[Major W. E. Gladstone Murray.]

Q. May I just follow that up by asking if, as part of the policy, it is the intention as far as possible to give—I know it is difficult—an equal opportunity to all sections of Canada, with reference to these artists?—A. Certainly.

Q. Is it possible on the network hook-up and on private stations to reverse the process or must artists be brought into the big stations of the C.B.C.? That is, can a private station, or can the C.B.C. utilizing a private station, take an artist from some outlying section and send their work over the network?—A. Yes. We are constantly taking artists, especially on the twenty-seven privately-owned stations that are on our basic network—we are constantly using them as recruiting agencies and as trying-out ground.

Q. Can they broadcast from that local private station?—A. Certainly.

Q. To give a concrete example, take Sault Ste. Marie. Would it be possible to receive from Sault Ste. Marie, an artist, if he is found suitable? Would it be possible for him to be broadcast from Sault Ste. Marie or would he have to go to Toronto?—A. No. Now that Sault Ste. Marie is on the line it can be done at increased cost.

Mr. HAMILTON: May I just end with the thought that I hope the C.B.C. keeps that in mind as part of their policy—to give as fair a chance as possible to outlying sections for the development of any talent they may have.

Hon. Mr. LAWSON: You have got to keep in mind the fact that if somebody is singing, you have got to have the orchestra and the singer at the same place.

Mr. HAMILTON: May I suggest that we happen to have orchestras at Sault Ste. Marie.

Hon. Mr. LAWSON: I was not suggesting that you did not.

By Mr. Turgeon:

Q. I would like to ask a question. I notice here in the statement you have circulated, that, in the division of territory, you mention "western" and then you mention "Vancouver." What do you mean by "western"?—A. The prairie provinces—all three prairie provinces. Vancouver takes care of British Columbia.

Q. I mentioned that word "western" because, as I pointed out at one of the other meetings of the committee, there is a tendency to distinguish between British Columbia and western Canada. That tendency is found in nearly all that is government-owned, and it is not a good thing. There is a distinguishing of British Columbia as something altogether apart from "western"?—A. Well, as a British Columbian, I always disassociate myself from the prairies.

By Mr. Factor:

Q. Does this number of 2,801 exclude choirs and groups of artists?—A. Yes.

Q. In other words, choirs and groups are in addition to the 2,801?—A. Yes. They count one each.

By Hon. Mr. Lawson:

Q. Major Murray, while we are on this schedule or exhibit you filed with respect to charges, would you deal with the question of auditions, because a great many of us have received a tremendous number of complaints. What I have in mind is this: How do you handle these auditions? Do you pay some outstanding musician or someone so much an hour to hear those who aspire to be broadcast, or how is the matter worked out?—A. Where our organization has developed as in Toronto, we have a tribunal including outsiders, whose expenses are paid and who report on a standard form of performances. This is quite an independent organization.

Q. When you say "independent," you mean they are not employees of the C.B.C.?—A. No, they are not employees of ours. We have just established a Board of the same kind in Winnipeg. We are establishing a similar one in Montreal.

Q. That would be a board of three, say, musicians?—A. Five or seven, as a matter of fact.

Q. Five?—A. Yes. They represent various departments of musicianship, including criticism. Every endeavour is made to see that the auditions are conducted with the utmost fairness. Of course, that does not solve the problem in the outlying districts because we cannot expect these boards to travel; therefore, in the outlying districts we have to try to improvise machinery with our own officers and so on, for the time being. But I would say this, that as soon as our organization is complete, I hope to be able to say that all audition work is in the hands of these tribunals; because I think it is unsound that it should be left solely to the officers of the corporation.

Q. Are these tribunals paid on an hourly basis or a daily basis or how?—A. No. They merely get an allowance, just an arbitrary expense allowance.

Q. Oh, it is a voluntary service?—A. Yes. In a sense.

By Mr. Factor:

Q. May I ask what policy you have adopted in encouraging announcers, and with regard to increasing your personnel of announcers?—A. In that connection, may I distribute the hand-book for announcers? I believe the hand-book for announcers has been circulated.

Q. Yes.—A. The policy about announcers might perhaps be described in this way, that we have one official coach for announcers, whose duty it is, first of all, to see that our own standard of announcing is reasonably good and improving in a reasonably rapid way; and secondly, to see that in so far as we can bring it about, that standard of announcing in privately-owned stations is also developed. We have just reached the point of being able to publish, primarily for the information of announcers but also for anybody else especially interested, a first list of recommended pronunciations.

By Mr. Bouchard:

Q. Does that cover the French language?—A. We are doing it in French also, but the English book happens to be available first. But everything that I say applies also to the French language *pari passu*. Therefore, I think the first point perhaps to notice with regard to the policy is that we have departed from the attitude of the B.B.C. in that we are not endeavouring to establish a standardized pronunciation. We are trying to assimilate our operations and attitude in this respect to the usage, the cultivated usage, of large areas and of the areas concerned, believing that there is room for announcers who speak all the main dialects of the English language, as long as the dialect is not so intruded as to be irritating to any considerable number of the listeners within the range of the station concerned. I think perhaps that is the definition of the policy. For the most part, we think that by applying the rules of common sense which are outlined in this hand-book and by giving reasonable guidance—by which I mean wherever there is a permissible alternative it should be given—without rigidity and standardization, we shall attain, I think, perhaps a unique standard of announcing in Canada. I have great hopes from the personnel we have in hand and the personnel we have in training, that when we have our high power short wave transmitter Canadian broadcasting will be known throughout the world for the distinction of its announcing. We have very good voices, and there are many more good voices that we can employ. Of course, I know it is a vexed question. I believe I once committed a serious faux pas by suggesting that some of my compatriots in British Columbia had better voices than those

[Major W. E. Gladstone Murray.]

of people in other parts of Canada. But, however that may be, I will say this, that my original conviction that we should develop in Canada a corp of announcers that would be distinctive in the world, is a conviction that has been confirmed through experience; and I have no doubt at all that our announcing is going forward and will be an important asset to the whole Canadian broadcasting tradition.

By the Chairman:

Q. Have you any more information that you want to give, Mr. Murray?—
A. No, that is the end.

The CHAIRMAN: Mr. Murray is through answering the questions. Is there anything further?

By Hon. Mr. Lawson:

Q. I would like to ask a question—just to clear up something in my own mind—in connection with the exhibit distributed this morning with respect to commercial revenue. Where gross billing is \$700,000 and the C.B.C. receives a net of \$497,000, there would be left, as I understand it, to be paid out of the \$497,000, whatever line charges there might be and so forth? In other words, the \$497,000 is not net profit, it is gross?—A. Well, it includes the lines, yes.

Q. But you have eliminated what you have to pay to private stations for the use of their stations during that time?—A. Yes.

Q. So that really the only expense that the C.B.C. has to pay out of the \$497,000, which could be properly specifically allocated to these programs, would be line charges for the number of hours that the programs occupied on the air?—A. Yes, that is right.

Hon. Mr. LAWSON: Excuse me, Mr. Chairman, if Major Murray wanted to go on to something else.

The CHAIRMAN: No. I think Major Murray is through with the answers to the questions that were put to him at the last meeting. Are there any further questions?

Hon. Mr. LAWSON: I have some others, Mr. Chairman, that I would like to deal with at a convenient time.

The CHAIRMAN: We still have ten minutes.

Hon. Mr. LAWSON: I may say, Mr. Chairman, that as arranged at the last committee meeting. I did attend at the offices of the Canadian Broadcasting Corporation and Mr. Murray and his officials made available to me every reasonable and possible piece of information which I was seeking, for which I want to thank Major Murray and the officials of the C.B.C. Arising out of that, I would like to have in the records of the committee certain facts which I think can be given without in any way disclosing to any competing industry any material or matter which might be injurious to the operations of the C.B.C. With respect to that, I would like to ask a few questions at this time.

The CHAIRMAN: I understand, Mr. Lawson, that you just wish to ask questions based on the information that you received?

Hon. Mr. LAWSON: It is not altogether on the information I received. It is on the information I was seeking.

The CHAIRMAN: I mean to say that you are not desirous of putting any part of those documents on the record, are you?

Hon. Mr. LAWSON: Oh, no.

The CHAIRMAN: Because that was decided some time ago.

Hon. Mr. LAWSON: In other words, I am quite satisfied that some of the information which I received would be injurious to the C.B.C. and its operations

in competition with private enterprise, were it to become public property. Therefore I am going to avoid anything like that.

The CHAIRMAN: Then you may go on with your questions.

By Hon. Mr. Lawson:

Q. In the original answers to the questions I submitted to the committee there was one in which I think you put a different interpretation from what I had in mind. That was question No. 7. I asked for the total number of employees of the C.B.C. other than artists, at the time the C.B.C. took over from the old Canadian Radio Commission, and the answer was 67. But I see that there is added these words: "number of employees other than artists attributable to program activities" and I was wondering if the words "attributable to program activities" were eliminated what the effect would be. Frankly, what I want to get is this, other than artists performing or singers or players, or anything of that kind, what was the total number of employees that the C.B.C. had at the time it took over from the old Canadian Radio Commission. Is 67 the correct answer?—A. Yes.

Q. Likewise I presume the other answer as to the number of employees which you now have for all purposes other than artists who are paid on a fee basis, is correct, 185?—A. Well, I am reminded on the first question that the entire staff taken over, 67, is the number of officials whose functions are attributable to programs. That is given as 67.

Q. That is what I feared.—A. Well, the entire staff—oh, yes, I am sorry.

Q. What I wanted to get at was the total number of employees who came under your control, under the control of the C.B.C. when it took over. I do not want included artists whom they may have employed to sing or play over the radio. Can you give us these figures?—A. Yes, 135 in the first case.

Q. At November 1, 1936?—A. Yes.

Q. And at February 28, 1938?—A. 337.

Q. Then, would you also give me the correct figures for these larger numbers of the aggregate of salaries paid on November 1, 1936 and the aggregate of salaries paid on February 28; in other words, your total payroll?—A. Total payroll?

Q. Exclusive of artists?—A. It is just possible I may have to ask your indulgence to get that particular table, because at the time I got the wrong meaning from the use of the expression "attributable to program activities" which I think appeared in your question.

Q. Yes, the reason unfortunately is that somebody stuck a comma in where I did not have any.

The CHAIRMAN: Don't blame me for that.

Hon. Mr. LAWSON: There is no suggestion of complicity in that.

The WITNESS: May I be permitted to bring these totals in at the next meeting?

Hon. Mr. LAWSON: If you please.

The CHAIRMAN: Mr. Lawson, would it be possible, if you have any questions that Mr. Murray is not able to answer to-day, to put them to him so that he would be in a position to bring them in at the next meeting?

Hon. Mr. LAWSON: That is what I was going to do. I realize the data has to be looked up.

By Mr. Factor:

Q. Mr. Murray, in the same memo would you mind showing the increase in the hours between these two periods, November 1, 1936, and February 28, 1938?

[Major W. E. Gladstone Murray.]

Hon. Mr. LAWSON: That is already in.

Mr. FACTOR: I understand that, from 297 to 518.

Hon. Mr. LAWSON: That was read out in the evidence given by Mr. Murray at the time the exhibit was filed.

THE WITNESS: This is a chart, Mr. Chairman, which shows the increase in the number of C.B.C. employees, compared with the increase in energy load of C.B.C. per day. Those who are interested in charts may perhaps look at it. I do not know whether it means a tremendous lot.

By Mr. Turgeon:

Q. Can you explain which one represents energy?—A. Unfortunately it only gives an idea of operation, that is all. There is no answer to questions in that.

By Mr. MacKenzie:

Q. The committee is interested in it.—A. The operation energy is represented by the right-hand column. The part in white is representative of what was taken over by the C.B.C. from the Radio Commission and the rest in black represents the increase. As a matter of fact, it is more from the point of view of getting a kind of conception of the increase than as an answer to any particular question. Perhaps it would be better to leave that for examination by individuals.

THE CHAIRMAN: Yes. Has anybody any more questions to ask Major Murray?

By Mr. Barber:

Q. I have a few questions which were sent in from the west but I may say they are not from British Columbia. This is one: The west would like to know how much and how many French programs are being paid for by the C.B.C. as compared with the volume of English programs? Schedules from the east show a number of programs in Quebec and Ontario which are not heard in the west at all. That is a question that is sent to me.—A. May I get the information about that, please?

THE CHAIRMAN: Are there any more questions?

Mr. BARBER: The other questions I had in mind, I think, are pretty well answered.

By Hon. Mr. Lawson:

Q. Major Murray, in the standard rate cards which were given to the committee as part of the material for our information I noticed so far as CBL is concerned, and I think so far as the network is concerned, they were new rates which became effective some time between October, 1937, and January, 1938?—A. Yes.

Q. Would you file with the committee the standard rate cards which were in effect prior to that revision?—A. CBL only came into operation on January 1.

Q. 1938?—A. Yes.

Q. Will you file that with respect to the others? I will be quite frank. I have no hesitation in disclosing to you what I am after. I am seeking information to get at facts. You must have read in the papers allegations that have been made that the C.B.C. cut prices and so forth in order to take commercial programs; and from what I have learned so far, I may say I am satisfied in my own mind there was an overstatement of that case in some respects. I believe it would be wise to have the facts in regard to that. With that in view I am asking Major Murray to file the old rate cards, the ones that are advertised in the Canadian Broadcaster and in different magazines.

Mr. HAMILTON: Do you mean they cut rates below the rate card?

Hon. Mr. LAWSON: Yes, that was the allegation that was made, and that they cut rates on the private stations. I believe both these cards are available. Major Murray will probably be anxious to explain to the committee in that regard just what the private station was paid and the reasons therefor.

By Hon. Mr. Lawson:

Q. Major Murray, by reason of something that was said here, I think by Mr. Brockington, is it a fact that there have been applications pending by private stations for increases in power in the thickly populated areas?—A. Yes, that is my information, but the applications would be pending with the Department of Transport.

Q. They do not come to the C.B.C.?—A. No.

Q. But in any event the policy of the C.B.C., and I think the policy of its predecessor, the Canadian Radio Commission, was not to allow any increases in power to private stations?—A. The policy has been based on the priority of serving the national interest, until the national high powered coverage scheme is completed and until it is known definitely how many wave-lengths Canada is going to have after ratification of the Havana conference.

Q. I am not interested in the reasons; I just want the facts.—A. Up to 1,000 watts, however, does not come within that policy.

Q. In other words I was told some time ago, that the largest private station in Toronto, CFRB, had an application pending for five or six years to build a 50,000 watt station. You cannot tell me as to whether or not that is or is not a fact?—A. Well, I have not access to the documents but it is my impression that was their desire.

Q. Similarly was there any private station in Montreal, for example?—A. Yes.

Q. That applied to build a 50,000 watt transmitter?—A. I believe the same applied.

Q. Can you tell me if that applies to any other applications in Canada; take the Maritimes, for example, where you now propose to build a 50,000 watt transmitter, have you any information that there was any application pending from a private corporation there?—A. I am not aware—

Q. Or in western Canada?—A. You mean in terms of 50 kilowatts?

Q. Yes.—A. I am not aware of any others.

Q. You will remember, Major Murray, Mr. Brockington gave us certain figures in percentages as to the division of expenditures as between administration, programs and line expenditures, making a comparison between the time when the C.B.C. came into existence and the conditions as of some recent date, and I asked for the actual dollar figures in respect to these rather than a percentage basis, and I think you were going to have it looked up for me?—A. Now, Mr. Chairman, I have been remiss. I did not make a note of it. I shall have that prepared for the next day. That is, administration, programs and so on?

Q. Yes. Mr. Brockington on the very first day he gave evidence here used percentage figures to demonstrate a larger percentage of the total expenditures of the C.B.C. had been made for programs now than when the C.B.C. took over, and he gave a division into administration, lines and programs.—A. Oh, well—

Q. In terms of percentages, and I asked for them in terms of dollars on both dates.—A. As a matter of fact, I have them here. You are referring to percentages that begin 6-8 administration?

Q. It started off, March 31, 1936, administration 7-57 per cent, programs 38-99 per cent, and I did not get the percentage in regard to lines, then, March 31, 1938.—A. I have all these here in terms of dollars.

[Major W. E. Gladstone Murray.]

Q. Would it be convenient to give them now?—A. Certainly. Shall I begin from the 31st March, 1936? The first figure was 7·57. Well, the total corresponding to that is \$120,606.89. Then the next figure is programs, 38·99 per cent. The figure corresponding to that is \$621,247.97.

Q. Lines?—A. Now, the next figure is operation of stations 10·73 per cent, representing \$170,954.32. Lines are 28·33 per cent, representing \$451,406.28; and the next figure is leases of time on private stations, 14·38 per cent, representing \$229,280.78, making a total of \$1,593,496.24, the other should add up to 100 per cent if it is accurate.

Q. I promise you I won't check it.—A. That is 31st March, 1936. You have the columns there now, and I can just give you the next year.

Q. The next date is what?—A. The year ending March 31, 1937.

Q. The comparison was not with 1938, it was with 1937?—A. I began with 1936. I thought you wanted the lot.

Q. That is right. The first figures you gave me were March 31, 1936?—A. Yes. That is what you have now.

Q. You have not them as of March 31, 1938?—A. Yes; I am coming to that. I did it in that way, inasmuch as I thought you wanted the whole document.

Q. I am interested in 1937.

Mr. FACTOR: Put it on the record.

The WITNESS: I shall continue to read it; I think perhaps it would be better. For the year ending March 31, 1937, the corresponding figures are, in so far as percentage is concerned, administration 8·07, and that represents \$125,360.31. The second figure, programs, the percentage is 41·53 per cent, representing \$645,815.98. The next one is operation of stations, 13·38 per cent, representing \$206,960.68; lines, 27·82 per cent, the figure being \$434,246.72. Then, the last one, leases of time on private stations, 9·20 per cent, representing a figure of \$143,037.41, making a total of \$1,555,421.10.

Now, you have the two sets of figures. The first one ended March 31, 1936 and the second one March 31, 1937. Now, I can give you the year ended March 31, 1938, but only for eleven months. That is, I can give you the actual figures for eleven months ending February 28, 1938.

By Hon. Mr. Lawson:

Q. Have you an estimate of the last month, that is, the month of March? I think it would be a better comparison if you gave that. We will accept your estimate for the month of March.—A. Taking the year ended March 31, 1938 as a very close estimate, the first figure is 5·66 per cent, representing \$122,468.37. The second figure 53·67 per cent, representing \$1,161,938.41. Then the operation of stations, 13·65 per cent or \$295,508.94. The next figure is 21·95 per cent or \$475,193.69; and the last figure, that is leases of time on private stations, 5·07 per cent, representing \$109,890.59, giving a total of \$2,165,000, to which should be added the estimated capital reserve of \$100,000 and estimated operation surplus of \$100,000, bringing it up to the total of \$2,365,000.

There is one other figure on this list, the money spent on artists. Would you like that added to it, when you complete this?

Q. That is in addition to the figure you have given?—A. No. That is another breakdown.

The CHAIRMAN: It will be in the record, Mr. Lawson.

Hon. Mr. LAWSON: The trouble is we do not get that printed record until long after our sitting. That is why I am taking the trouble to take this down.

The CHAIRMAN: All right.

By Hon. Mr. Lawson:

Q. That will be interesting, Mr. Murray.—A. For the first year, the year ended 31st March, 1936, you have got a figure that reaches 450,000.

Q. Just excuse me a minute. March 31st, 1936?—A. Yes—\$450,724.17. Then for the year ended March 31, 1937, \$471,580.66; and for the estimate for the year ended March 31, 1938, \$602,752.

The CHAIRMAN: Now, gentlemen, it is after one o'clock. Is it the pleasure of the committee that we should sit to-morrow at eleven o'clock?

Some Hon. MEMBERS: That is all right.

The CHAIRMAN: Then we shall sit to-morrow at eleven o'clock.

The Committee adjourned at 1.05 p.m., to meet again on Wednesday, April 6th, at 11 a.m.

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114
SESSION 1938

HOUSE OF COMMONS

STANDING COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

WEDNESDAY, APRIL 6, 1938

WITNESS:

Major W. E. Gladstone Murray, General Manager Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1938

MINUTES OF PROCEEDINGS

WEDNESDAY, April 6, 1938.

The Standing Committee on Radio Broadcasting met this day at 11 a.m.

The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Ahearn, Barber, Beaubien, Dupuis, Edwards, Factor, Hamilton, Isnor, Lawson, MacKenzie (*Neepawa*), MacLean (*Prince*), Patterson, Woodsworth.—(13)

In attendance: Mr. Leonard W. Brockington, K.C., Chairman and Mr. Alan B. Plaunt of the Board of Governors of the Canadian Broadcasting Corporation.

Also: W. E. Gladstone Murray, General Manager;

Donald Manson, Chief Executive Assistant;

Lieut.-Col. R. P. Landry, Secretary;

Gordon W. Olive, Chief Engineer;

Harry Baldwin, Treasurer;

E. A. Weir, Commercial Manager;

J. Arthur Dupont, Commercial Manager, Quebec District;

William O. Findlay, Assistant to Chief Executive Assistant;

W. R. Mortimer, Assistant to Treasurer;

K. A. MacKinnon, Engineer in Charge, Transmission and Development Branch;

R. E. Keddy, Secretary to General Manager, and

T. T. O'dell, Program Department.

Mr. W. E. Gladstone Murray recalled.

He presented answers to the questions asked for by members of the Committee at a previous sitting and was examined by various members of the Committee.

The hour being 1 o'clock, the Chairman inquired of the Committee if it would continue to sit for a short time longer before adjourning in an effort to complete the inquiry. The Committee agreed.

Mr. Lawson expressed a desire to have witnesses called other than the Board of Governors and officials of the Canadian Broadcasting Corporation and moved,—

That the Chairman or President of the Broadcasting Association of Canada be requested to appear at his own expense before this Committee as a witness with respect to the subject-matter of the order of reference to this Committee.

On the Motion being put, Mr. Martin raised the question that the Motion was out of order, the same not being within the scope of the reference to the Committee.

Discussion took place and the Chairman ruled that the Motion was not in order. From this decision Mr. Lawson appealed and called for a recorded vote.

On the question being put "Shall the Chairman's decision be sustained?" the names were called and taken down as follows:—

Yeas: Messrs. Bouchard, Factor, Hamilton, Isnor, Martin, Patterson.—(6)

Nays: Messrs. Lawson, Edwards.—(2)

The Chairman, Mr. A. L. Beaubien did not record his vote.

Mr. W. J. Matthews, assistant counsel, Department of Transport, filed an opinion re the licensing cost of battery operated receiving sets.

The Committee adjourned at 1.45 p.m., to meet again on Thursday, April 7, 1938 at 11 a.m.

WALTER HILL,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 429,

April 6, 1938.

The select standing committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will kindly come to order. Yesterday there was discussion in regard to \$1,000,000 that was collected before the corporation came into being and someone suggested that probably we should make some recommendation to the house with regard to this money. I wanted to be accurate so I asked the minister to get his department, the department concerned with it, to prepare a memorandum. I have that memorandum before me. Is it your pleasure that I shall read it?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: It reads:—

April 6th, 1938.

DEAR MR. BEAUBIEN: I note that in the evidence of yesterday, some of the members claimed that the Government has held out \$1,000,000 collected from radio listeners which it has not turned over to either the Radio Commission or the Broadcasting Corporation.

You will recall that the committee of 1936 recognized this claim by providing that in future the Government will pay the cost of interference services by direct vote of Parliament, and that all money collected from licence fees, less cost of collection, will be turned over to the Broadcasting Corporation. Therefore, if any discrepancy as claimed exists, it is being reduced at the rate of over \$200,000 per annum.

Whatever may have been the position with relation to the former Radio Commission, it is certain that the Government has turned over to the Broadcasting Corporation all moneys collected from licence fees since the Corporation has been in existence. I cannot agree that there is any balance owing from the Government to the Corporation as a result of past collections from the listeners.

It is my intention to include provision for a loan of \$500,000 to the Corporation for capital purposes in the Supplementary Estimates for 1938-39.

I am writing this letter in order to make it clear to the Committee that there is no unpaid balance due the Corporation from the Government on account of past collection.

Yours faithfully,

C. D. HOWE.

ARTHUR L. BEAUBIEN, Esq., M.P.,
Chairman, Radio Broadcasting Committee,
House of Commons,
Ottawa.

I thought we had better have that on record.

Then, another question that was asked yesterday was in regard to battery sets in towns or villages where electricity exists but where the people do not have it in their homes. I have here a memorandum which has been prepared by Mr. Matthews. Is it your pleasure that I should read it?

Mr. EDWARDS: Yes, Mr. Chairman.

The CHAIRMAN: It is dated this morning, and is addressed to Mr. Gladstone Murray. It reads:—

With reference to your letter dated April 5th, 1938, addressed to the Minister of Transport, relative to certain questions asked at the Parliamentary Committee on Broadcasting in connection with the application of licences to radio receiving sets operated by batteries, it appears that Regulation 31 (2) of the Radio Regulations, Part II, reads as follows:—

'(2) Special Private Receiving Station Licences—

- (a) Special Private receiving station licences may be granted for stations established or to be established for reception only of broadcasting defined as aforesaid at places not served by an electric distribution system.
- (b) Each licence granted under (a) shall permit the installation and operation of one only battery operated radio receiving set at the place specified in the licence.

In the opinion of the undersigned the word "place" referred to in the said subsection means the residence or other premises where the receiving set is installed.

With reference to the question as to the method of licensing master receiving sets in hotels, it appears that a private receiving station licence is issued for each mast set and that in the case of individual sets installed in different rooms in a hotel it appears that a private receiving station licence is required in respect of each set.

The CHAIRMAN: I think we better have that on the record too.

Mr. WOODSWORTH: Might I have an explanation on that; is a licence charged on each set in each room?

The CHAIRMAN: Yes, in a hotel, if it is a radio set.

Mr. WOODSWORTH: If it is a radio; but what is the case if it is an extension?

The CHAIRMAN: In most of these cases the reception in the room is through the medium of a loud-speaker, a loud-speaker has no tubes in it. But in any case where there is a radio in the room the hotel would pay the regular licence fee of \$2.50.

Mr. WOODSWORTH: Then what about the case of an extension; they hear in their own rooms?

The CHAIRMAN: If it is a radio they will pay the licence fee, if it is just a loud-speaker they will not. I understand that to be the arrangement.

Mr. MATTHEWS: (Assistant Counsel, Department of Transport) That is correct.

Mr. WOODSWORTH: It does not seem to be fair that simply because of the mechanical equipment a big hotel with 500 or 1,000 rooms should not be charged whereas in a little hotel that has only a few rooms they have to pay the full licence fee.

The CHAIRMAN: In many hotels, Mr. Woodsworth, you put a quarter in the slot and you get so much music out of your radio.

Hon. Mr. LAWSON: Not in this country, surely.

The CHAIRMAN: You do it in the Mount Royal Hotel in Montreal. I have done it myself, when I was lonesome—which wasn't very often.

Hon. Mr. LAWSON: I am surprised at that.

Mr. WOODSWORTH: It seems to me that in a large hotel where people are getting in addition to their rooms and so on the privilege of radio there is no particular reason why the management should not pay the licence fee.

The CHAIRMAN: If they have radios they will pay the fee.

Mr. WOODSWORTH: But, if they have an instrument which gives them the results of the radio centrally located; and it comes to them in their own rooms, it seems to me that they should pay for it—I do not know whether you call that broadcasting, I am not sufficiently familiar with the distinction just to say—if they have a set in their own rooms they get the benefit of the broadcast and it seems to me some arrangement should be made by which the management would pay for that.

The CHAIRMAN: They will, if it is a radio.

Mr. EDWARDS: Could it not be worked out on a flat rate, hotels being charged so much per room, or so many rooms at so much; that is a suggestion.

The CHAIRMAN: I really do not know, Mr. Edwards. We have the evidence before us and we can look into it and if we feel satisfied so to do we can make a recommendation in that connection in our report.

Mr. WOODSWORTH: Could not a change like that be made by Order-in-Council; you would not need any legislation, I am sure.

The CHAIRMAN: I do not think there is any legislation regarding licence fees at all.

Hon. Mr. LAWSON: It is all done by Order-in-Council.

The CHAIRMAN: If we think it desirable to make a recommendation to the House of Commons in our report we can do so by having this on record.

Mr. FACTOR: I received a letter from Toronto this morning in which a gentleman takes the position that on the set in his car he should only pay \$2 because the radio set for his car is a battery operated set, operated from the battery of the car. He claims that the battery operated set only requires a fee of \$2.

Hon. Mr. LAWSON: That is not the correct view.

Mr. MATTHEWS: There is a special provision in respect to that in the regulations, automobiles are specifically mentioned.

The CHAIRMAN: At any rate, the electricity which operates the radio comes from the battery in the car.

Mr. FACTOR: That is what it is.

The CHAIRMAN: Now, gentlemen, we have Mr. Gladstone Murray here.

Hon. Mr. LAWSON: Just before you go on with Mr. Murray; I was going to suggest for the benefit of Mr. Woodsworth and any other members who might be interested, that you have before the house now a new bill which is re-enacting several provisions of the old Radio-Telegraph Act under which power by order-in-council to fix the licence fees is granted; and then, the bill has several other new provisions in it. If any members wanted to deal with the question of the licensing of battery sets, for example, say; or the question of hotels, I suggest it might be very well done when that bill is before the house, and also by recommendation of this committee.

The CHAIRMAN: It can be done under the \$500,000 which is being provided in the supplementary estimates in respect to the capital expenditure account.

Hon. Mr. LAWSON: And then, before you leave the department itself, I have several letters making all sorts of allegations as to the cost of collecting radio licence fees. One letter alleges that 17.5 cents a licence is the amount; another alleges that it is 32 cents per licence; I am wondering it, to clarify that, it might not be well at some time during our proceedings to have a statement made.

The CHAIRMAN: Perhaps we had better clarify that right now.

Mr. MATTHEWS (Assistant Counsel for the department): Well there is a sliding scale. I am prepared to say that the present maximum is 25 cents.

The CHAIRMAN: Per licence?

Mr. MATTHEWS: Yes.

Hon. Mr. LAWSON: What would be the average rate?

Mr. MATTHEWS: Ten cents to 15 cents.

Hon. Mr. LAWSON: Some of these are collected at the post offices while in other cases people are sent out to collect them?

Mr. MATTHEWS: Yes.

Hon. Mr. LAWSON: Who are the people sent out appointed by?

Mr. MATTHEWS: They are appointed by the department.

Hon. Mr. LAWSON: By the Department of Marine?

Mr. MATTHEWS: No, by the Department of Transport.

The CHAIRMAN: Does that clear your point up, Mr. Lawson?

Hon. Mr. LAWSON: Yes, thank you.

The CHAIRMAN: Shall we call on Mr. Murray?

Mr. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, recalled.

Hon. Mr. LAWSON: In order to get that average accurate, if it would be convenient to Mr. Matthews, sometime before the committee adjourns he might let us have the total number of licences issued in any given fiscal year or calendar year; and the total amount deducted by the department for the collection of those licence fees.

Mr. MATTHEWS: I think we have that on the record, Mr. Lawson.

Hon. Mr. LAWSON: No, not in this committee.

Mr. MATTHEWS: Then it was the minister who gave that.

The CHAIRMAN: I think Mr. Murray wants to make some corrections in his evidence of yesterday.

The WITNESS: Mr. Chairman, I want to apologize to the committee for having given wrong information on the adjudication procedure, and perhaps you will permit me to read a correcting memorandum. The adjudication procedure has not been fully developed, but the principle of it is to have at each production centre a panel of representative artistic authorities, a panel as extended as possible from whom may be drawn boards of a minimum of three, normal membership of five, each board having added to its numbers for each occasion as assessor a member of the staff of the C.B.C. The two main tasks put before these boards of adjudication are the reading of manuscripts and the selection of radio talent; that is, listening to auditions. The scale of pay varies. In some centres it is \$5 for each sitting; in other centres it is \$10 for each sitting. The organization is fully established in Winnipeg and Toronto, and it is beginning in Vancouver. In the western provinces—

By Mr. Isnor:

Q. What is the extreme easterly board?—A. We haven't established any in the east yet. That will be part of the development of the Maritime region this year with the introduction of the new transmitter. Adjudication boards will be a normal part of the development this year.

Q. What is the most central, or easterly?—A. Montreal beginning. We have the benefit also in the prairie provinces of the advisory councils, the voluntary advisory councils, the organization of which will be extended as and when it is felt necessary in the several provinces of Canada, but the demand for it has been more specifically in the prairie provinces and in British Columbia, rather than elsewhere so far. When this policy is fully operative we shall have at each production centre a panel representative of all the competent, independent artistic authorities of the communities, and from that panel we

[Major W. E. Gladstone Murray.]

shall draw boards for the selection of artists and for the adjudication of radio manuscripts; and there will be payment per occasion not in excess of \$10 per time.

That is the correction, Mr. Chairman.

The CHAIRMAN: Was there anything else that you had in mind?

The WITNESS: There were some unfinished questions. First of all, Mr. Lawson; if I might—

By Hon. Mr. Lawson:

Q. Before you leave that, Major Murray, as a result of that system is an opportunity given to any who desire to go upon the radio to be heard by these boards, auditioning boards, and to have the judgment of the auditioning board as to whether or not they should be recommended to the C.B.C. for employment?

—A. The opportunity is not given to every applicant, but the opportunity is given to every applicant who can produce some prima facie evidence—that is to say a certificate from a music teacher or some sort of evidence to make it worth while spending the effort. If he can produce prima facie evidence of training or merit he can come before such a board; but it would be untrue to say that anyone can write in and automatically get access to the board, because that would create a situation the proportions of which we could not possibly handle.

Q. And do these boards sit at frequent intervals?—A. Yes.

Q. In other words, as likely talent is available the boards are convened for the purpose of hearing those auditions?—A. Yes.

The CHAIRMAN: As far as Winnipeg is concerned, I might interject that they have an audition there every Wednesday. I know that my own daughter has had an audition in Winnipeg. The judges were there, and they have been very helpful to my daughter. She is not on the radio, but she has a fairly good voice and needs a lot more training before she becomes eligible to go on the air; however, these auditions have been a great help to her.

By Mr. Factor:

Q. May I ask a question arising out of that—not closely, but connected with the subject? I am interested to know what system is adopted in choosing speakers on your discussion hours. For instance, there is a booklet which they issue on the various speakers who speak on Canadian problems. Who has charge of that?—A. Well, we take care of that ourselves in the ordinary way. First of all we endeavour to find out who are the recognized authorities on the subject and then we have to determine in that list who has radio personality or what approximates radio personality. In other words, they have to have a microphone test; and then the selection is made finally on two points: their knowledge of the subject and, of course, their radio personality; and in the case of a debate or a symposium it has to be decided whether they really represent any definite point of view on the subject. However, that is not done by an advisory council. As a matter of fact, that would be extremely difficult to handle by an advisory council. It has to be done by executive action and by the application of common sense.

Q. It is done by your corporation, is it not?—A. Yes. I would like to proceed with Mr. Lawson's questions. Those questions were held over partly because of my misunderstanding of what was really intended.

The total number of employees of the Canadian Radio Broadcasting Commission on November 1, 1936, was 138; the total number of employees of the Canadian Broadcasting Corporation on March 19, 1937, was 337. The respective salary aggregates at each stage were \$300,314.60—

By Hon. Mr. Lawson:

Q. At which date?—A. The first one \$300,314.60. I beg your pardon, March 19, 1938—and for the second figure \$570,050. Now, if you will permit me by way of additional information there—and I do not advance this because of any claim there is a valid comparison, but as additional information—the total staff of the British Broadcasting Corporation is 3,600; the aggregate of salaries paid in the calendar year which ended December 31, 1937, was £885,865 sterling, which with the pound taken at around \$5 yields \$4,429,315. The total staff of the National Broadcasting Company is 2,000—the total staff for the Columbia Broadcasting System is 1,400—

By Mr. Factor:

Q. Before you leave that, have you the figures of the total receipts of the B.B.C. for radio licenses?—A. Yes.

Q. It will be interesting to get that.

Hon. Mr. LAWSON: It is about \$20,000,000, I think.

The WITNESS: Net license income in pounds sterling £2,875,044, and from publications £480,527. That is the net profits on publications. They seem to have had a net revenue last year of £3,356,074.

By Hon. Mr. Lawson:

Q. Is that net revenue or gross revenue?—A. Net.

By Mr. Factor:

Q. I am reading here from a portion of the "Broadcaster" and the information here says that the license fee is 10 shillings and the total revenue from fees is £4,000,000?—A. Well, they have forgotten to subtract a very considerable subvention which the state takes. You see, the British Broadcasting Corporation has proved a most profitable investment; something over fifteen millions pounds sterling have been paid into public funds since it was formed. These are the net figures given in the annual report of the corporation itself.

Now, I add by way of information that the staff of the N.B.C. is 2,000 and the staff of the Columbia Broadcasting system is 1,400. There was another point of information which Mr. Lawson desired and which with his permission I would like to give at this stage. Already there has been information given that there were twenty-four salaries on the salary list of the C.B.C. in excess of \$3,000 a year. Now, the total of those twenty-four highest salaries in the C.B.C. is \$117,070. By way of additional information, and not, mark you, by way of comparison—because I am reminded constantly of the wisdom of the advice given by a member of this committee that we should not wish to cultivate a champagne appetite on a beer income—but by way of information, this total of \$117,070 is less than the aggregate of the salaries of the seven highest paid officials of the B.B.C., it is substantially less than the one salary of the executive head of the Columbia Broadcasting system, and it is less than the total of the salaries of the three highest paid officials of the National Broadcasting Company. Of course, they are commercial concerns and, therefore, there is no direct comparison; but I bring forward the information to correct the impression which is current in some quarters and which has been broached to me seriously not on one occasion but on several, that our salary scale is higher than that of the American broadcasting systems, or of the B.B.C.

By Mr. MacLean:

Q. There is one question I desire to ask. It may have been asked while I was absent from the committee. It has to do with local stations. We have quite a few local stations in the Maritime provinces. I would like to ask what the situation is if there were a high powered station put in there: are

[Major W. E. Gladstone Murray.]

those people to receive any consideration from the broadcasting corporation or from the government, or are they to be automatically put out of business?—A. Not necessarily, Mr. Chairman. As I see it, the situation will have to be examined afresh in the light of experience. It is the hope, as I was able to quote from my personal letter to the Minister of Transport of the 28th of October, that there would emerge a kind of permanent partnership between those privately owned stations with power up to one kilowatt whose presence is essential not only to effective coverage but also to adequate alternative programs and to the legitimate expression of local aspirations. In other words, the various and vigorous communities that have their own interests should have those interests observed to the extent that the situation permits. Particularly in the matter of wave lengths it would be our purpose to encourage those stations. There is always this to be kept in mind, however, that with the necessity of economizing the use of channels we have to avoid repeating the same programs in the same area by various stations on different wave lengths. Those stations which remain under the permanent partnership organization, voicing the local aspirations and supplying alternative programs and giving general vigor to the whole broadcasting system of the country, would be required to give a service which would be distinctive from our service.

Q. And, as a matter of fact, they do. In general they give a local service such as the broadcasting corporation could not really give. Take, for instance, the church services on Sunday. It could not be hoped that that service could be established through the C.B.C. That is a feature which the people appreciate very much, and that service has been given regularly by the local stations in our province. The people have come to look upon those local stations really as they do on one of their local newspapers. They say that you might as well take away their newspapers as take away their local stations, and for that reason they are very strong in presenting a case on behalf of the local stations that every consideration should be given to allow them to carry on.—A. Might I continue, Mr. Chairman, answering Mr. Lawson's questions. There was one held over. Do you wish to have tabled the rates charged in instances previous to this that have been circulated already?

Mr. ISNOR: I think it is only fair to Mr. MacLean that he should have some information on the matter he has brought before the committee. He is now bringing before the committee the question of the private station at Charlottetown, and the fear expressed is that by virtue of the methods employed by the C.B.C. something might happen to interfere to such an extent with that local station that it would have to be closed. Is not that the thought you have in mind?

Mr. MACLEAN: Yes.

The WITNESS: I thought I dealt with that question.

Mr. ISNOR: I do not think that matter was covered as fully as I would expect if I placed it before the committee. Of course, I do not need to hold any brief for Mr. MacLean, but I do come from that section of the country and I know something of the difficulties experienced by privately owned smaller companies; and I think that matter should be enlarged on.

Mr. MACLEAN: The point of view of the people down there, Major Murray, is briefly that over a period of ten to fifteen years they have built up a clientele and they have a certain amount of advertising. They have given fairly good programs. Now, they claim that if the high-powered station comes in you immediately take away their clientele or their listening audience, and that once they are taken away they will lose their advertising and would be automatically put out of business. That is the stand they have taken. I do not know what can be done about it, but I think it is my duty to bring the matter to the attention of the committee.

Hon. Mr. LAWSON: Surely that is the inevitable sequence of the progressive nationalization of radio.

The CHAIRMAN: There has been a tremendous demand from the Maritime provinces for better coverage.

The WITNESS: I might make this observation that the sphere of local business certainly will not be touched. For example, with our regional transmitter for the Maritime provinces the rate will be far beyond anything that local business in Charlottetown could afford. I do not see any invasion of local enterprise, but I admit that there may be some loss of national network business. For example, a national advertiser who buys time on our regional transmitter might not be so desirous to continue to buy time on the Charlottetown transmitter, and there might have to be some adjustment there. However, I may say that so far as policy is concerned you can take it that it is our intention to do everything we can, subject to the basic consideration of the public interest.

Mr. MACLEAN: Where reference was made previously to Charlottetown I would like that reference to also include Summerside because they are both stations in the same position.

The WITNESS: We feel it is desirable that these worth-while local stations should continue, and it will be our policy to help them in so far as we can without sacrificing major interests.

By Mr. Isnor:

Q. Is it not a fair statement to make that instead of hurting them the programs may possibly assist them from a local standpoint?—A. That is possible, yes. We can only learn by experience.

Q. I remarked to the operator of the Charlottetown station that I felt from a business standpoint that instead of your methods hurting them they might possibly assist from a revenue producing standpoint as far as advertising is concerned and as well as creating a larger number of listeners at certain hours through the local station.

Mr. BARBER: Our experience in British Columbia has been that the small station has not suffered by the putting in of the larger stations. In fact, I think it has helped them in the communities out there. We were at one time afraid it might eliminate the local station; instead of that we find it has helped the local station.

By Hon. Mr. Lawson:

Q. Major Murray, in connection with stations such as my friend from Prince Edward Island has mentioned, do you feed those stations your sustaining programs if they want to take them?—A. Yes.

Q. And can they all have those programs if they wish them, or are they reserved exclusively for your own chain?—A. No, the only limitation is the cost of wire lines. We can feed any station that is on our network, but I have already mentioned the importance of economizing on wavelengths, and it is bad policy if there are three stations in one place to give them the same programs at the same time. Take the case of Calgary. There we try to split the sustaining programs among those stations so there will be no repetition.

Q. If they are on your network they get it for nothing; if they are not on your network they can get it by paying the wire line charges from some point?—A. Yes, there are not many stations outside of that wire line network and there are quite a number of stations that are within the wire lines, and they can get the programs for nothing.

By Mr. MacLean:

Q. The suggestion comes from down in my part of the country that if the high power stations are to come in it will result in "the complete aban-
[Major W. E. Gladstone Murray.]

donment of commercial activity by the government corporation, in competition with other mediums of advertising, including publishing, billboards and private radio stations." That is one of the alternatives. However, if I got your point correctly, you say that your rate for advertising will be so much higher that the local station will still likely get the advertising and that will meet the suggestion that they make here?—A. Partly, I think. Perhaps not entirely, but partly.

By Mr. Isnor:

Q. It stands to reason that the C.B.C. rate for their complete network will certainly be higher, but if they are seeking local advertising they should be, in fact, in a preferred position?—A. Yes. But even on the regional basis it would be in terms of \$300 to \$50—something of that nature.

Q. The same as with regard to the circulation of newspapers?—A. Yes.

By Hon. Mr. Lawson:

Q. On a 50,000 watt station for an hour the amount would be about \$300 whereas on a 1,000 watt station it is about \$50; is that the comparison?—A. It depends upon the density of the population and other factors.

Q. What I said would be true roughly?—A. Yes, that is it.

Q. A ratio of 6 to 1?—A. Yes.

The CHAIRMAN: I think that point has been cleared up for Mr. MacLean.

By Mr. MacLean:

Q. There was another matter which I desired to bring before the committee. Possibly it has been dealt with by one of the other members. However, it is in connection with this matter: one dealer writes me and states: "Can you possibly conceive how the dealer, who under the regulation has to either sell the purchaser of a radio his radio licence or see that he has a radio licence, can possibly know whether to charge the purchaser of a battery operated radio the fee of \$2 or \$2.50." The complaint is that the dealer has to be sure that the radio owner has a licence before he can service his set or if he takes a set out he has to sell him a licence first; is that the idea?—A. That, I understand, is the intention. If there is a feeling of grievance about that I shall be glad to have it transmitted.

Q. This writer says that "under the regulations the onus falls upon the dealer to check up and see that the purchaser has a licence or that he purchases one," and he says, "you can imagine endeavouring to sell a hard customer a radio set and then spoil the sale by asking him \$2.50 for a licence. He will demand that it be thrown in..." And so forth. He says it spoils the sale.

The CHAIRMAN: Any man who buys a radio must know that he has to have a licence.

Mr. MACLEAN: They go on and say: "Another unfair feature is that, before we can service a radio, the onus is on us that we have to see that the owner has a radio licence and refuse to service the set until he purchases one." They claim that it is placing too much responsibility in connection with the whole matter on the dealer.

The CHAIRMAN: They make enough profit in selling their radios that they should be able to take some responsibility.

The WITNESS: I understand that that whole matter is coming up for review in the House under the revised radio telegraph bill.

The CHAIRMAN: I think that matter could be taken up on the \$500,000 supplementary estimates.

Mr. MACLEAN: That is quite all right.

Mr. HAMILTON: Are we going to have an opportunity to discuss radio fees?

The CHAIRMAN: I think that comes under the department. I think we should do whatever criticizing or discussing we have to do on this matter when

the estimates are before the House or when the bill is before the House. I think notice has already been given.

Hon. Mr. LAWSON: It has had its first reading.

Mr. HAMILTON: Is there any intention of getting any information about that here?

The CHAIRMAN: I do not think that is within our scope. It is entirely a departmental question. All we are discussing here is the recommendation of the radio broadcasting corporation to the department to increase the licence fee, and we have considered that.

Mr. ISNOR: That has a very direct bearing on the licence fee. I think there are members who feel that if a proper survey had been made in regard to the method employed in the issuing of licences the question then might have arisen as to whether it was necessary to increase the fee to \$2.50 or whether revised methods of collecting or selling the licences would not have brought about a sufficient revenue to have allowed the fee to remain as it was.

The CHAIRMAN: Of course, the way that question stands now, it has really been settled. The broadcasting corporation sent a recommendation to the minister in that regard and it is an established fact to-day, and we will save a great deal of time and derive more satisfaction if we discuss that matter when it comes up in the House.

Mr. ISNOR: It has a very direct bearing.

The CHAIRMAN: That is a suggestion.

Mr. HAMILTON: I agree that this ties in with the whole financial set-up of the C.B.C. I cannot speak for other sections of the country, but I know it is felt in my section that there are a very large number of radios on which licence fees are not paid. Of course, it might be that if methods could be adopted that would secure payment and an increase in the number of radios now existing, that might provide the finances without increasing the fee. I certainly think that out of this general radio discussion should come something very valuable in the way of suggesting methods of securing greater efficiency and return in collecting the licence fees.

The CHAIRMAN: Of course, the Department of Transport is responsible for that; the radio corporation is not.

Mr. FACTOR: That is the point. Are we in a position, for instance, to discuss this problem that has given some concern. There is this dual responsibility now existing that the collecting of radio licence fees and the matter of looking after interference is a matter for the Department of Transport, and I often wonder whether it would not be better to confine all the radio activities within the limits of the Canadian Broadcasting Corporation.

The CHAIRMAN: Of course, in our sittings in 1936 we recommended to the House of Commons exactly what the Aird commission had recommended in regard to interference and radio licences. It was recommended that those matters should come under the Department of Transport, and that was the recommendation of the Aird report, and we put that in our report to the House of Commons in 1936 just as it was written in the Aird report.

Mr. FACTOR: Personally, I am not so sure that that was the proper disposition. I am thinking aloud just now. I have often wondered, if it is within the jurisdiction of this committee, whether it would not be well to discuss the problem; whether or not it would be to the advantage of the radio public to have all the activities in connection with radio in the hands of the Canadian Broadcasting Corporation.

The CHAIRMAN: Could we not do that in the house, Mr. Factor?

Mr. FACTOR: Possibly.

[Major W. E. Gladstone Murray.]

Mr. HAMILTON: Mr. Chairman, would it be in order to get Mr. Murray's views on that or would he care to express them? Why is the collection of the licence fees in the hands of the Department of Transport as against being in the hands of the C.B.C.? What advantage or disadvantage is there in the different methods? Would that be a fair question?

The CHAIRMAN: I think it is a fair question to ask, but the committee which reported in 1936 took the view that the department already existed, had been in operation and the machinery was there for that purpose; but if Mr. Murray cares to express any opinion on that it is up to him.

Mr. WOODSWORTH: Mr. Chairman, I do not think it is quite fair to ask Mr. Murray his opinion. He is an executive official acting under certain legislation, and I think perhaps it is hardly fair to ask him to express himself on a matter of that kind.

The CHAIRMAN: I think you are right.

Mr. HAMILTON: That might be so as a matter of policy. It is not that I wanted to do anything like that, but from a practical angle—I do not want to press the question—I am anxious to get information on this thing, because I think it is one of the key matters on which the whole general thing swings. I do not want to discuss policy particularly, but as an operating organization would the C.B.C. have facilities or would they not—would it embarrass them?

The CHAIRMAN: In asking Mr. Murray to give an opinion on that, I think we should give him the privilege of not doing so if he wishes, because we do not want to embarrass the manager of the Canadian Broadcasting Corporation which is really operating under an Act of parliament; but if Mr. Murray cares to make some kind of a statement it is up to him.

The WITNESS: Mr. Chairman and gentlemen, if I might be permitted to make a statement which will be perhaps only a factual contribution, I think we are all exploring this ground, and it is in that co-operative spirit that I would like to address myself to the subject.

There is, first of all, the question of the desirability of associating the broadcasting authority, as such, with the task of enforcement. The experience in the United Kingdom was fairly decisive that it was not a good thing to identify the two functions. There, of course, the post office has been the enforcing authority. A ten shilling licence fee is collected without any percentage cost. It is the normal function of the post office department and the post office officials. The small percentage that is deducted afterwards, which is about eight per cent. I think is for the cost of administration, and that is before they take a slice for the treasury, which varies from twenty to twenty-five per cent.

The actual task of administering and enforcing licence regulations is a very considerable one and I think it is arguable that it is not desirable that it should be identified with the broadcasting authority. A very considerable staff of inspectors is required, there is a big book-keeping organization, and it has to be remembered also that in this country the Minister of Transport is the licensing authority for all classes of radio stations. These are increasing. There are different kinds of them. There are now twenty or thirty radio stations in connection with the air service. Mark you, I am not in a position to give an opinion on this, but it is certainly open to argument as to whether the actual methods employed, the details of the methods employed, are calculated to secure the best results.

It might conceivably be of assistance to the committee if I gave some facts on an analysis of collection costs and methods which I believe were actually based on information provided. In the present fiscal year radio licences have been collected as follows:—

Forty-one per cent through post offices or postal carriers. That is, the 6,220 accounting post offices report 28·5 per cent of the total. One hundred and sixty-six staff post offices report 12·2 per cent of that total.

Thirty-seven per cent through house to house canvassers, 190 canvasses.

Judging from our correspondence, the methods of the canvassers are not uniformly popular. It is perhaps open to discussion as to whether the irritation caused by the house-to-house canvass might perhaps not be remedied by a better method; but, frankly, I have not one to suggest. I am only recording the fact that there is evidence of a good deal of irritation among householders and a consequent decline of popularity in which the C.B.C. is bound to share.

There are 1,658 dealers and eighteen per cent of the licences are collected from that source.

Four per cent of licences are collected through miscellaneous channels.

The commissions paid are as follows:—accounting post offices, that is, non-salaried post offices, fifteen cents. Staff post offices, five cents. House-to-house canvassers, twenty to twenty-five cents. Dealers, fifteen cents.

The total commissions paid were \$175,420.85, representing 16.7 cents per licence.

Hon. Mr. LAWSON: That is the information I was asking for a while ago.

The WITNESS: 16.7 cents per licence. That is an outline of the facts and some of the considerations.

According to my information, I would not associate myself with some of the criticisms of the present organization. I think they have been doing a good job in extremely difficult circumstances, because there is nothing comparable between the problem of licence collecting in this country and that existing in the United Kingdom where you have a big population and where distances are relatively infinitesimal. Here we have an enormous area to cover, and local difficulties arise. For example, in the drought areas, I believe various considerations were made—a humanitarian attitude. Therefore, with such a policy, there is the exercise of discretion. I think, taken by and large, so far as my information goes, an excellent job has been done.

But there remains the problem that there is a suspicion that however efficient the organization has been so far, the net has not been perhaps wide enough and that there has been a considerable proportion of evasion, although of course that is a matter of opinion. Beyond that, Mr. Chairman, I think it would be improper for me to make any statement.

The CHAIRMAN: Is that satisfactory to every one?

Mr. HAMILTON: I would like to suggest to Major Murray that I doubt if there is sufficient distinction in the minds of the public between who is collecting the fees. I am doubtful if there is general realization that it is the government which is collecting the licence fees and that the C.B.C. is separated from that collecting organization. I think you will find that a large number of the people still think that the C.B.C. is still collecting these licence fees.

The WITNESS: Yes, I am aware of that, Mr. Chairman; but it is not easy to change. Shall I return to the questions now, Mr. Chairman?

The CHAIRMAN: Yes.

By Mr. Isnor:

Q. Mr. Chairman, Mr. Murray gave us the cost of collecting licences as 16.7 cents. That is the average over all. Could you give us the average percentage of the source? You mentioned the post offices, the house-to-house canvassers, the radio dealers, and so on; could you give us the best medium you have from past experience? Have you that worked out on a percentage basis?—A. Forty-one per cent.

Q. I want the medium through which that came.—A. I said that forty-one per cent were collected through post offices and postal carriers; thirty-seven per cent through house-to-house canvassers, and eighteen per cent through dealers.

[Major W. E. Gladstone Murray.]

Q. Forty-one per cent was collected through post offices?—A. Yes.

Q. Then the highest is through the post offices?—A. I should add, to make the picture complete, that in addition to the commissions paid there is a charge for administration of \$115,000 which the Minister of Transport deducts.

By Hon. Mr. Lawson:

Q. If you added the sum of \$115,000 to the collection costs, have you figured out to what it would bring the total cost of collection? That may give rise to a lot of unfavourable comment. A. Roughly \$290,000.

Q. By how many licences would you have to divide that?—A. 1,125,000. Fourteen per cent.

Mr. McLEAN: If this matter comes within the scope of the reference to this committee it would then be up to the committee to make certain recommendations in their report.

The CHAIRMAN: I do not think it comes within the reference to this committee.

Mr. MacLEAN: I would like to get your ruling, Mr. Chairman.

The CHAIRMAN: I think it is entirely departmental policy. I do not think it has anything to do with the Radio Broadcasting Corporation. I think it has a certain effect on The Radio Broadcasting Corporation, but I do not think it is a matter of policy. I am still of the opinion that we had better make these suggestions in the House of Commons. I know, myself, it has been pretty hard to get radio licences collected.

The WITNESS: Mr. Chairman, with your permission I should like to return and deal with some of the questions which are unanswered or uncompleted. There was one from Mr. Lawson who wished to have tabled the advertising rates which applied to the period before that which is covered by the rate cards which were distributed the other day for November 1st. These may be circulated, and I would like to read an explanatory note. At the same time, I would like to distribute a memorandum of information which is of a general kind and which I neglected to circulate yesterday. This arose out of certain questions the previous days. It is not immediately relevant, but I would like the members of the committee to have it.

The documents which have been circulated, Mr. Chairman, show the rates on all stations, C.B.C. basic network, prior to November, 1937. That is before the new wire contract permitted the substantial reductions in transmission costs which were made effective under the rate cards which were distributed the other day.

The rates on privately owned stations for national and regional networks are not in all cases identical with their published card rates for spot broadcasting. The former were reached by mutual agreement with the stations. They represent an attempt in a modified way to establish an equalization whereby discrepancies in rates per 1,000 homes reached would not be too great. In other words, this was the first attempt to establish a kind of business-like pattern on an agreed yardstick for the measurement of radio coverage throughout Canada done by agreement and in no sense under compulsion.

Privately owned stations now receive 50 per cent of the basic net rate shown on the network rate card after the frequency discount has been deducted. This is an unusually high rate for member stations of a network, compared with standard practice in the United States.

Now, the rates shown on the sheets which have been distributed this morning were not published as a network card, for this reason: Prior to setting up C.B.C. National and regional networks each advertiser selected only those stations he wished to include, and paid a very much higher wire rate. The stations paid all commissions. These are now paid by the C.B.C. With the substantial

reduction in rates, however, the sponsor in order to secure these reduced rates, was compelled to include several stations, especially in sparsely settled areas, which he would not normally have included. In other words, we now have ready-made networks, whereas before the networks were set up at the caprice of the sponsor. In this way several privately owned stations benefited directly and substantially.

Many stations were extremely anxious to be included on the network and there are still other applications, but there are also very definite limitations to this extension as the cost could become prohibitive to the sponsor and in certain areas there would be duplication of coverage which would be objectionable for reasons which I gave earlier this morning.

National network rates may vary considerably from national rates for transcriptions or programs presented by local talent, for these reasons:

1. A station's card rates may be above normal for the market covered, and still be acceptable to the spot advertiser. The advertiser is able to control his expenditures by reducing the duration of his broadcast, or its frequency, or the length of his schedule on such stations, knowing that his competitors will probably do the same thing. But the network advertiser cannot reduce the length of his program or its frequency or the length of schedule on any individual station. All stations on a network normally receive the same length, frequency and number of broadcasts. Consequently, a card rate which is equitable for spot is not necessarily equitable for network.

2. A station's card rates may be based on its total coverage. To the spot-local or spot-national advertiser this is acceptable, even though the same territory be covered by other stations which he is using at other hours. He may not object to paying for duplicate coverage, because, by staggering his programs, he is able to make use of such duplicate coverage. But the network program is synchronous on all stations. Duplicate coverage is, therefore, valueless. In network broadcasting, the value of a station is set by its exclusive coverage. Consequently, a card rate which is equitable for spot is not necessarily equitable for network, when the network includes stations of duplicate coverage.

For the above reasons, it is quite appropriate for the C.B.C. to set basic station rates for network purposes which may be altogether unrelated to the spot-national rates set by the stations themselves. Provided of course, there is agreement with the stations before the rates are applied to those stations.

Further, when it was made compulsory for an advertiser to use all basic network stations in order to earn maximum discounts and minimum line rates, then the C.B.C. thought it must logically undertake to control basic network rates of stations on the network. The determination of "basic" network values was based on three assumptions:

1. That the C.B.C. is interested in distributing broadcast entertainment to all listeners, whether in thickly populated areas of high buying power or in thinly populated areas of negligible buying power.

2. That the prospective network advertiser is principally interested in areas of high buying power, but is willing to carry his broadcast to areas of low buying power on condition that the stations in such areas do not demand exorbitant basic rates.

3. That if some stations obtain more than their fair share of the advertiser's total station expenditures, then other stations must necessarily receive less than their fair share of the total; and that in view of their prospective concessions to the C.B.C., they are entitled to rely on the C.B.C. to protect them against such discrimination.

I would like to add that these questions were gone into thoroughly with representatives of the Association of Canadian Advertisers and the Canadian Association of Advertising Agencies prior to the setting up of the new net-

[Major W. E. Gladstone Murray.]

work rates, which are regarded as observing the established canons of enlightened business practice.

By Mr. Isnor:

Q. It would only be fair to say that those whom you consulted were in the habit of dealing with national advertising almost wholly? You say the rates were approved?—A. Yes.

Q. They would be dealing in a very large measure, in fact, their whole business would centre around national advertising; I am just wondering as to their opinion in regard to local advertising?—A. This only applies to national advertising. They have their own unlimited scope locally. It does not interfere with that.

Q. I was thinking of what you said previous to that, the local value. I can see that there are two very distinct fields, and that is where I think the local stations are rather inclined to believe that you would take from their field certain revenues which they are now receiving. I think if the position that you take were clear to them, you would not encounter the same criticism from private and local concerns. I am wondering whether I am making myself clear. I know what is in my own mind from an advertising standpoint. I can see the value of national advertising being used by very large mediums, such as newspapers that have circulation in a very large field; and I also know that local concerns must in addition to using the large mediums, whether it is for goodwill or for the local viewpoint, use the medium of the local press, and the same thing, I believe, applies to radio programs.—A. Yes.

Q. I think you should endeavour to create that feeling among the privately owned companies, as I think it would offset some of the criticisms you are now receiving.—A. I am much obliged for the suggestion, Mr. Chairman, and we shall take advantage of it.

By Mr. Hamilton:

Q. Just along that line I would like to express this view: It seems to me that there are two ideas in radio-broadcasting in Canada. One is the national idea with high-powered stations covering the dominion. In connection with that any advertising of that type naturally is more or less national advertising. But I have always felt, and I wish to express this view, as this is an opportune time, that in the building up of radio in the coming years we want to keep in mind that small radio stations in local communities, are a very real community asset in many, many ways for building up community life, community spirit and things of that nature. And I think the field is probably entirely different from the larger services but I feel it is important to keep that viewpoint in mind. I am not referring now entirely to advertising, although that is a factor; because the fact is, as Mr. Isnor says, that people who would want to advertise would only want to cover a radius of from 10 to 20 miles or so around their local territory, they do not want to advertise across the Dominion of Canada. They are smaller advertisers.

Then, there is also the desire to broadcast programs of purely local interest such as meetings in the community and different events that are being put on which they want to broadcast to the local area alone, and in which the Dominion at large is not interested at all. I feel that is a very important relationship and will have possibly an increasing importance in years to come in building up generally the public life, the public viewpoint, the mentality of the people of the country. I just wanted to cover that at this time.

The WITNESS: I might observe, Mr. Chairman, that that is a precise expression of my own view on the same subject. I would not try to emulate Mr. Hamilton's description; but I would just like to add these particular considerations. All of these stations, and particularly the ones to which he refers,

which is a community station, consider the national advertising programs very great audience builders. They have already reported that the times adjacent to these national commercials which they get from us are very much more valuable now than they were; in other words, they are in a stronger position to solicit local advertising. I agree most heartily as to the social necessity—I do not think that is an exaggeration, social necessity—for the emergence, if you like, of a kind of permanent partnership between public service stations and the community stations.

By Hon. Mr. Lawson:

Q. Would you be good enough to define for me what is spot advertising?

—A. National spot business is business which is placed with local stations on transcription by national advertisers. It is the same thing as national advertising except that it is not carried on the network.

Q. At the same time?—A. Yes.

Q. Yes?—A. It might be local talent program, but the account is what is called a national account; the chief value being that they are enabled to adapt themselves to local conditions. That was referred to in my memorandum.

Q. In other words, we will take the Chase & Sanborn hour which is being brought in and broadcast on the network; that goes over the whole network at the same time?—A. Yes.

Q. Even though it may be received at different times in the different parts of the country?—A. Yes.

Q. But if instead of that they use a transcription and the people in Ontario heard it at the same time as it is performed in the West or in the Maritimes where the people are in a different time zone?—A. That is spot business.

Q. That is spot business?—A. Yes.

Q. With reference to these rate cards, Major Murray, this CBR—that is the station in Vancouver—that is one of the stations owned by the Canadian Broadcasting Corporation, is it?—A. Yes.

Q. And is it of the same power now that it was previously?—A. No, it is five kilowatts now. They had the same power then.

Q. They had the same power then?—A. Yes.

Q. Then, on this rate card as distributed, for CBR it indicates—I will only refer to Class A time—it indicates the amount charged for the number of frequencies of broadcasting and so forth; is there anything on here that would indicate what discount from that price is given if it is a network program? In connection with CBR I will take a program of one hour to be broadcast a minimum of thirteen times. There would have been paid \$104.50 for a broadcast for that station; but if that station were used in a network with other stations would you still have to pay \$104.50 for that station?—A. In these days?

Q. That is what I mean, in these days?—A. Yes.

Q. Well, take under your present rates now; for example—no, no; excuse me—you are not getting into Vancouver at all now with your N.B.C. United States commercials.—A. That is right.

Q. What I am trying to get at is this: there have been all sorts of allegations made that the C.B.C. in order to take business from the private stations cut their prices when they went out to secure these United States commercials. I would like to follow that through, and I think in the result it can be shown that prices are less under the new rate card. This, the C.B.C. advances reasons therefor. I think the committee should have the benefit of the whole picture in connection with it. Now, what one do you suggest I take? Let us stay on that and pretend it is a scheme under a national broadcast?—A. All right.

[Major W. E. Gladstone Murray.]

Q. Then, under the new rate card for a program of one hour with a frequency of 13 times what rate would now be quoted for a network program?—
A. That would be 5 per cent discount.

Q. But, as a discount rate, would that \$104.50 still prevail?—A. No, \$110.

Q. The new rate?—A. That should be \$110.

Q. That is the new rate on CBR for one hour's program with a frequency of 13 times as one of a chain in a national chain; you say the rate is now \$110 instead of \$104.50 subject to certain discount?—A. \$104.50.

Q. So that your rate there is still sold as it was before?—A. Yes.

Q. Now then, the 5 per cent is discount off because of frequencies — —
A. And regional if it goes across the country.

Q. Yes, I thought there was no discount for—I thought there was one discount for frequency and another for regional?—A. There are two discounts.

Q. 5 per cent comes off for what?—A. For frequency.

Q. Frequency, or region?—A. Frequency.

Q. For frequency, that would leave it at \$104.50. Now then, is there a 10 per cent discount off because it is regional instead of an individual station?—
A. You mean, if it is a national network program?

Q. Yes?—A. It depends entirely on the number of regions brought in; it is progressive—5 on 1, 10 on 2 and up to 25.

Q. To get away from regions, let me take it on a national network basis?—
A. All right, that would be 25 per cent.

Q. Now, the C.B.C. has a national network?—A. Yes.

Q. And let me assume that you have a contract with the United States commercial broadcaster for a program of one hour in the Class A time to be repeated 13 times over the national network; the station rate of CBR is \$104.50, and then off that you take the 25 per cent discount for the network?—A. For the network.

The CHAIRMAN: That is 25 per cent discount?

Hon. Mr. LAWSON: That is 25 per cent discount off the \$104.50.

The CHAIRMAN: That is the answer. I wanted the reporter to get that.

The WITNESS: That would be \$78.38 net.

By Hon. Mr. Lawson:

Q. Now then, prior to these new rates coming into effect in November, what would that same United States commercial broadcaster have had to pay for the use of this station?—A. \$110, less a frequency discount of 5 per cent.

Q. 5 per cent; so, previously he would have paid \$104.50?—A. Yes.

Q. Since the new card came into effect he pays \$78?—A. (E. A. Weir) That is a C.B.C. station.

Q. Now, when these old rates were in effect would it have been possible for a United States commercial program to have been broadcast over a network in Canada? I do not mean necessarily a national network, but over a network in Canada?—A. Over a very limited network.

Q. Could they not have lined up a sufficient number of private stations, for example, to have had a broadcast over a national network?—A. If a proposal had been made and if it had been authorized.

Q. Oh yes.—A. And if they were prepared to pay the price.

The CHAIRMAN: You mean, before the new rates came into effect?

Hon. Mr. LAWSON: I mean before the rates were changed.

The CHAIRMAN: Oh yes.

By Hon. Mr. Lawson:

Q. We will say November 1, 1937, before the rates were changed—what I am trying to get at is this: It would have been possible for a firm who desired to broadcast over a national network to have so broadcast?—A. Yes.

Q. In which event had station CBR been one of the stations on the network he would have had to pay \$104.50 for an hour of Class A time?—A. Yes.

Q. Now then, we have got that he would have had to pay \$104.50; and that he now has to pay \$78.40—I am leaving out all consideration of commissions to agents because that does not enter into the picture—Now then, Major Murray, would you explain to the committee why this new rate structure was built up?—A. It was set up for reasons which I have elaborated in the explanatory memorandum which I can go back to.

Q. I beg your pardon, I haven't that memorandum here. In fairness to the C.B.C. it should be on record.—A. It is the result of a first attempt to apply a scientific yardstick to this problem of coverage in Canada in order to bring the relationship between the cost and the audience to some kind of a basis comparable with that in the United States where it has become a highly scientific measurement. That was the first consideration, and there had to be applied to that the ordinary business principles in meeting the peculiar pioneer circumstances involved. The second consideration was that we were not faced with the necessity of having a maximum profit as our primary objective. We did take into account the fact that we wanted to get the national advertiser both in Canada and in the United States, but particularly in Canada into the habit of buying time right across Canada in the areas which were considered unprofitable as well as in the areas which were considered profitable. We had to strike a balance. Special inducements were necessary. The matter was beset with difficulties. We had consultations not only with authorities in Canada in the advertising field and those expert in other media, as well as in broadcasting, but also in the United States, and I can say that the result of these investigations is reflected by a policy which has enriched the programs right across country.

Q. Would I be fair if I said that in the final analysis you had to reduce the rates in order to get the business?—A. Yes.

Q. And from the C.B.C. standpoint desire to get these commercial programs, United States commercials, for listeners in Canada who could not otherwise receive them, you have been able to get them, and as you wanted to supplement your own revenues you had to get a rate structure under which you could go ahead and give that service?—A. That is correct.

Q. Now, Major Murray, on the same basis could we take the case of a private station on your chain—suppose we take station CJCB—that is at Sydney, Nova Scotia—as an example; would that be a fair sample of a private station which might be on your network?—A. (Mr. Weir). There is a little greater reduction in some cases, but there are reasons for that.

Q. I just took it because it is the first one on the list. Am I correct, that the hourly rate for Class A time over that station at Sydney, Nova Scotia—CJCB—prior to the reduced rates, was \$60 an hour; is that correct?—A. Yes.

Q. Now then, you negotiated with this private station, as with all others in your chain to come into your chain for the broadcasting of national network commercials, and is the figure which that private station is now paid for station time one that was arrived at by agreement as the result of negotiations between the C.B.C. and the owners of the private station?—A. Yes.

Q. Yes; and what rate does he now receive; that is, what does he receive net for the same hour of Class A time—

Mr. FACTOR: Is that for the same station?

Hon. Mr. LAWSON: We are only dealing with the one station, CJCB.

Mr. WEIR: Is that on 13 times?

Hon. Mr. LAWSON: Yes.

Mr. WEIR: He receives \$21.37.

[Major W. E. Gladstone Murray.]

By Hon. Mr. Lawson:

Q. Oh, isn't it more than that?—A. (Mr. Weir). We take 5 per cent from \$45—

Q. Your basic rate is changed to \$45 instead of \$60?—A. (Mr. Weir). Yes.

Q. And then you first take a discount of 5 per cent off \$45 for frequency?—A. (Mr. Weir). We give him 50 per cent.

Q. You give him 50 per cent of the basic rate of \$45.00 less the frequency?—A. Yes, we take care of all charges.

Q. So that he now receives \$20—what is the amount?—A. (Mr. Weir). \$21.37.

Q. You give him \$21.37 for the hour for which he previously would have received had he had any business on a national network \$60?—A. (Mr. Weir). \$60 less 15 per cent, and 15 per cent.

Q. Now, what would that have been?—A. (Mr. Weir). That would have been two fifteens he would have had to pay.

Q. Our friend there is a mathematician, so I am going to let him make the calculation.

The WITNESS: (Mr. Weir). That would be \$41.18.

Q. So that it is correct to say he now receives \$21.37 for an hour and for which previous to November 1st he would have received \$40 odd?

Mr. FACTOR: The \$21 is only half of the amount.

By Hon. Mr. Lawson:

Q. (To Mr. Weir) So that he now receives \$21.37 for the same time on his station as he would have previously received \$40?—A. \$41.18.

Q. Now, as against that, what benefits do you give to him, or what costs is he able to avoid in the way of wire charges or anything else?—A. In this case I think it is a fair statement to say that he would not have received any of these programs. He certainly did not receive any from the United States before. And he receives practically all of this income after eight o'clock at night when he either has to pay the cost of programs to fill his own time or else carry C.B.C. sustainers for which he receives nothing. Now he is paid for time which otherwise would net him nothing. That is generally true for the group of stations in the Maritime provinces.

By the Chairman:

Q. In other words, it would have cost him money to fill in the time after eight o'clock?—A. Yes.

By Hon. Mr. Lawson:

Q. The advantage you give him in exchange for his lesser rate is that you provide him with sustaining programs at other hours of the day?—A. Yes.

Q. And you say that if those programs were not available to him on Sunday nights he would have had to provide sustaining programs in order to keep his station busy?—A. Sustaining programs either from the C.B.C. network or out of his own pocket. I speak generally.

Q. Would that apply to all of the other private stations in your network?—A. Well, in varying degrees.

Q. For example, let us take one at Toronto. Take the private station at Toronto.—A. Well, at Toronto of course we have our own station.

Mr. MURRAY: There is no private outlet.

By Hon. Mr. Lawson:

Q. It never would have applied there.—A. (Mr. Weir) It never would have applied there. It would apply in Western Canada.

By Mr. Barber:

Q. And applied in British Columbia?—A. Yes, but in varying degrees depending upon the region or the section of the country. I might say that the fifty per cent which we pay after the frequency discount is taken off is a very much higher percentage than is usually paid on network broadcasts.

By Mr. Factor:

Q. It is all subject to agreement?—A. It is all subject to agreement. And, as a matter of fact, we did not force this at all. We felt that when we said to an advertiser, "You must include this station, that station and the other station," then there was a responsibility which developed upon the Corporation to regulate those rates so that the advertiser would not be paying an unjust proportion in one part of the country in relation to that in another part of the country.

By Hon. Mr. Lawson:

Q. Let us get at it in this way: Take station CJCB. Before you took him on the network and provided him with whatever amount of money he is receiving from United States commercials, what was he actually using his station for on Sunday nights?—A. He was generally using it for transcriptions, local programs or sustainers from the C.B.C.

Q. In other words, he was not making money out of it?—A. Certainly not very much.

Q. That is what I am talking about.—A. There might be odd exceptions.

By Mr. Factor:

Q. Do they not cut a lot of them out?—A. They used to. In that section of the country they used to close down fairly early. Halifax was an exception, but in many of the other stations they used to close soon after eight o'clock, but after the C.B.C. supplied programs up to 11 or 12 o'clock they were able to continue.

By Hon. Mr. Lawson:

Q. But if you take stations at the larger points such as Halifax, Charlotte-town and Moncton, that would not apply, because they always provided broadcasts of their own up to 11 o'clock at night?—A. No. Halifax was rather an exception. The rest usually closed earlier. But that ceased a year or so ago.

Q. Then let us take it in connection with one of these United States commercial programs on a night other than Sunday. In connection with the man at Station CJCB, so far as week nights are concerned, would it be fair to say that in all probability from eight to ten or from seven to ten he would have commercial programs?—A. No. The statement already made, broadly speaking, applies all across the board from Monday through until Sunday.

Q. That is, after eight o'clock at night.—A. After eight or eight-thirty o'clock there is very little commercial broadcasting.

Q. They would not have commercial broadcasting?—A. Generally speaking. That is not true of Halifax to the same degree.

Q. Would that be true of private stations at Toronto and Montreal?—A. No, that applies more particularly to the Maritimes.

Q. Oh, I beg your pardon, you are speaking of the Maritimes?—A. Yes.

Q. But so far as private stations are concerned at Toronto, Hamilton, etc., they would I imagine have commercial programs most of the nights of the week, from seven to ten-thirty or eleven o'clock?—A. Yes.

Q. But in connection with your chain you have not taken into your chain any of the private stations in these large centres of population because you had your own stations?—A. In Toronto and Montreal, yes.

Q. What about Hamilton? Is there a private station there?—A. No. CBL is twenty-two miles from Toronto and the same distance from Hamilton.

[Major W. E. Gladstone Murray.]

Q. So that you do not require private stations on your chain in Hamilton?—
A. No. We have only one in Western Ontario.

Q. For comparative purposes could you tell me this: There must have been a chain of private stations in Canada taking United States commercial programs prior to the C.B.C. going into the business of taking in United States commercials, was there not?—A. No. The only American commercials that were brought in then were over the stations in Toronto and Montreal.

Q. That is, as individual stations?—A. As individual stations, individual members of the network.

Q. And, therefore, these United States commercials were not broadcast at all over any private network prior to your going into the business of taking them?—A. No.

Q. An allegation was made to me that the reason for that was that the C.B.C. exercising its regulative powers would not permit a chain of stations to be formed as a national network across Canada to take United States commercials. Is that a correct statement or is it not?

Mr. MURRAY: The situation, I think, can be described in this way: A very definite stand was taken by the former broadcasting authority, The Canadian Radio Broadcasting Commission. I was told a good deal about it. A very definite stand on policy was taken which I believe was supported by the government of the day, that it was undesirable in the public interest to create even the nucleus of a chain in Canada that would be dependent commercially on one of the big American chains. Although I am not aware of any actual applications, I believe that they were not encouraged.

Q. (To Mr. Murray) In other words, the private stations were given to understand that there was no use in them applying to establish a national chain of private stations to accept United States commercials for a national network?—
A. I believe that is accurate.

Q. And the C.B.C., when it came into existence, continued that policy?—
A. I do not recall any specific applications, but, on the other hand, no indication was given that there was a change in attitude.

Q. I think that is a very fair statement. No indication was given to any private stations that there was a change in attitude until the C.B.C. changed the policy to the extent that it must necessarily have done in order to take these United States commercials over their own national network?—A. Until we were in a position to negotiate on a rather different basis with the American chains. In other words, we would not become affiliates in the ordinary way. The national authority behind the C.B.C. chain was in a position to get a better bargain with the American chain, taking into account the national interest.

Hon. Mr. LAWSON: I am not concerned much with the reason for it, I am merely trying to get at the facts. Now, Mr. Chairman, I think that satisfies my mind on the different allegations that were made to me.

By Mr. Hamilton:

Q. Major Murray, out of half the payments made for commercial advertising comes, I suppose, the wire charges?—A. The two commissions and a regional discount.

Q. Yes, but where do the wire charges for the network come from?—
A. The sponsor pays them.

Q. A private station does not contribute anything out of its half to that wire system?—A. No.

Q. The one half is clear profit for them?

By Hon. Mr. Lawson:

Q. In plain words, you receive the program right into your station?—A. I was told by a manager the other day, "All I do is to receive the invoice and collect the change."

By Mr. Isnor:

Q. Would it be possible for a competing company to be organized in Canada to compete against the C.B.C. as is the case in the United States with the Mutual Network which I understand is an independent organization.

Hon. Mr. LAWSON: Or the Columbia.

Mr. ISNOR: No; the Mutual is a little different. I think there is a slight distinction there.

The WITNESS: Might I ask if you mean a privately owned network?

Q. Yes. Is there anything to prevent that? I was looking to the future.—

A. The Broadcasting Act certainly did not envisage that.

By Hon. Mr. Lawson:

Q. In other words, private stations would have to come to The Canadian Broadcasting Corporation to get permission to form a chain, and, having regard to the terms contained in the statute and your regulations, you would not give your consent. Is that not a fair summary of it?

The CHAIRMAN: Gentlemen, if you are through, I do not think there is anything further with which to proceed in this committee. Mr. Lawson is through and I think everyone else is through.

Hon. Mr. LAWSON: I would not like to say I was through. I would like to deal with a few little individual things.

The CHAIRMAN: It appears to me that we are just on the verge of finishing the sittings of our committee, and if your questions will not be too long we might go on for a few minutes longer and complete our work to-day. One of the reasons I say that is, because we have all the officials of The Canadian Broadcasting Corporation here and they have a lot of work to do at home, and unless we need to bring them here another day I think probably we could sit for another ten minutes and allow them to finish. Would that be suitable to the members?

Hon. Mr. LAWSON: It is suitable to me, if it is suitable to the others.

Mr. HAMILTON: I have one question I would like to ask you, Mr. Chairman, concerning interference and inspection in the various areas. I do not know that that has been discussed at all or whether the C.B.C. has anything to do with that, or whether that is up to the Department of Transport.

The CHAIRMAN: It is up to the Department, Mr. Hamilton, and there is no question but that if the Radio Broadcasting Corporation receives complaints from listeners it transmits them to the department, and the removing of interference is entirely in the hands of the department.

Mr. HAMILTON: That again ties in very closely with the popularizing of the C.B.C. The extent to which there is good reception is a very important factor in popularizing C.B.C. programs, and if this is the appropriate time to discuss it, I would like to discuss it.

The CHAIRMAN: I think we would render a service to The Canadian Broadcasting Corporation if we, as members of this committee, who have sat here and listened to all the evidence, were to put that forward in the house when an opportunity presents itself and let the public know that the removing of interference, the collection of licence fees, and so on, are not the functions of The Canadian Broadcasting Corporation but the functions of the Department of Transport.

Mr. FACTOR: The difficulty is that the public do not make that nice distinction.

Mr. MARTIN: It does not really exist.

[Major W. E. Gladstone Murray.]

Mr. FACTOR: Whether it is interference or whether it is the collection of licence fees, the criticism falls immediately upon the C.B.C., although it is not their responsibility. That is where the trouble comes in.

The CHAIRMAN: I was making the suggestion that we might clarify it and educate the public to that point.

Mr. FACTOR: My only thought, Mr. Chairman, is that Major Murray said he was giving factual information. He is in closer touch with radio matters than anyone else in Canada. When we get into the house or into committee on the estimates, we may have lost the opportunity to get some very valuable information, information that is very important from men who may have it. I do not know whether we can get any information from the C.B.C. officials as to interference generally. I have in mind at the moment, for instance, the inspectorship in Northern Ontario. I certainly think it is not sufficient and that with only one inspector and a lack of equipment it is far too great a territory to cover. It cannot be covered satisfactorily. This may not be the place to discuss that, but whether there are any facts that might be of assistance to the members of the committee later that could be had now is what I am wondering about, and I would not want to miss the opportunity to get them.

Mr. EDWARDS: Supplementing what Mr. Hamilton said, that same condition exists right down the centre of Ontario. There is an attempt to cover too large an area with a few inspectors. The result is that if a complaint is made a week or ten days elapses before any action can be taken. It is not that they are not trying to do it, but they have not enough men to cover the territory properly.

The CHAIRMAN: We can hardly expect Major Murray to say very much on that phase, because he would be stepping on the toes of some other department of the government.

Mr. HAMILTON: Mr. Factor says he is getting his toes stepped on now because the people do not distinguish between the two.

The CHAIRMAN: Gentlemen, if those are all the questions you desire to ask, our work is finished except to present our report.

Hon. Mr. LAWSON: Well, Mr. Chairman, I think probably in view of your remarks I should raise a question here in addition to wanting some information about one or two individual matters. There has never been a sitting of a radio committee since the nationalization of radio was created during which an opportunity was not given to the private broadcasters to present any views they desired to present to the committee. I should think it entirely unseemly and unwise that we should close our sittings having heard one side of the case and one side only, not hearing from the private broadcasters, in view of the widespread allegations which have been made through national magazines, the press and almost every agency of printed material throughout Canada; and I do think that before winding up the sittings of the committee we should invite the president of the Canadian Broadcasters Association, I think it is called, to come here and make any presentation he desires to make to the committee. And we ought to make it widely known that opportunity will be given to any individual private broadcasters who wish to come forward with any complaints or suggestions as to the policy of the C.B.C.

The CHAIRMAN: Well, Mr. Lawson, unless we get different instructions from the House of Commons, we certainly cannot go into that, because the order of reference limits our operations here.

Mr. FACTOR: For instance, in connection with the investigation of the C.N.R. annual statement, if Mr. Lawson's argument holds good, you might as well call in the C.P.R. to tell us what is wrong with the C.N.R.

The CHAIRMAN: We are inquiring into the policy and the operation of the Canadian Broadcasting Corporation.

Hon. Mr. LAWSON: I think this committee should hear from anybody who wants to make representations with respect to matters of policy.

The CHAIRMAN: Mr. Lawson, if you wish to raise that point I am not going to give any decision until members of the committee have had a chance to express their views; but, before they do express their views, I am of the opinion, and I think I can substantiate my opinion under the rules which cover committees, that we cannot go outside of our order of reference. You probably have your opinion on that matter, and I have mine, and I think if you examine the order of reference you will find that we are limited.

Mr. MARTIN: Is the order of reference long?

The CHAIRMAN: No.

Mr. MARTIN: Let us have it read to refresh our memories.

The CHAIRMAN: Very well, I will read it.

Resolved—that a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies—

Hon. Mr. LAWSON: There it is, that states "policy."

The CHAIRMAN: Here is the resolution:—

That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies—

Hon. Mr. LAWSON: Policies.

The CHAIRMAN: "—policies of the corporation—"

Hon. Mr. LAWSON: Right.

The CHAIRMAN: "—with special reference to revenues, expenditures and developments, with all the powers vested in the standing committees under standing orders and the resolution passed by this House on the 7th of February, 1938."

Hon. Mr. LAWSON: It is intended to review policies.

The CHAIRMAN: Of the Canadian Broadcasting Corporation.

Mr. FACTOR: We have the power to review policies under that. The committee has the power, necessarily, if it is the wish of the committee to go into that.

Mr. HAMILTON: My submission to you, Mr. Chairman, is that this committee has the power to send for any persons whom it would like to have appear before it and to examine them, but I do not see why we should invite anyone to come here to make representations along general lines. If it is the wish of the committee that some witnesses should be asked to appear before us, I think we have the power to bring them in.

Hon. Mr. LAWSON: Your wording here is, to review the policies of the corporation with special reference to revenues—and among other things, development.

The CHAIRMAN: Yes, development of the Canadian Broadcasting Corporation.

Hon. Mr. LAWSON: Now, Mr. Chairman, I quite agree that it is within the power of this committee to say it will not hear any witness or it will hear such witnesses as this committee sees fit. I still say that to me it is unthinkable that the committee would vote for hearing merely one side of the story and one side of the case and give no opportunity for those who have complaints or objections with respect to policy, or who may advance facts which may aid this committee in determining the policy and in reviewing it—that these people should be precluded from being heard.

[Major W. E. Gladstone Murray.]

Mr. MARTIN: Surely Mr. Lawson has a responsibility which he has not yet discharged. We have no evidence that anyone wants to be heard before this committee. Has the chairman received any communications from any private organizations who wish to be heard?

Mr. EDWARDS: Has any organization been invited?

Mr. HAMILTON: I think under the terms of the reference we are precluded from going into anything other than examining the policy of the present set-up. I think Mr. Factor's observation is appropriate; if there is anyone who has made a request then we might be put in a position of embarrassment if we were not to permit them to appear. So far as I know no one has made a request to come before this committee.

Hon. Mr. LAWSON: All I have to say, Mr. Chairman, is that if the committee only hears those who request to come before them it would not get very far. On the Banking and Commerce committee this year where would we have been had we only heard those who requested to come?

Mr. FACTOR: Our terms of reference are wide.

Hon. Mr. LAWSON: We sent for a professor from the Maritimes, for a government official from the state of Iowa and others.

Mr. MARTIN: That is quite different.

Mr. BOUCHARD: That is quite different. We are here for a special purpose.

The CHAIRMAN: Of course, I am in the hands of the committee; but I am certainly of the opinion that the order of reference unless it is amended by the House of Commons, does not give us that power.

Mr. MARTIN: If Mr. Lawson would agree to give us the \$2 rate I will agree with him.

Hon. Mr. LAWSON: I am sorry; it is within the power of the government of this country to reduce it, not within my power. But I do say, Mr. Chairman, and I do not want to use the words that are intentionally offensive—

The CHAIRMAN: No, no; you would not anyway.

Hon. Mr. LAWSON: But I ask you frankly, will the public of this country regard the procedure of this committee as other than a pure whitewashing expedition if this committee refuses to give opportunity to anybody to be heard here except officials of the C.B.C.?

The CHAIRMAN: I know, Mr. Lawson, that you have no intention that the words you have just uttered should be broadcast with the meaning which the public might possibly put on them. I think every member of this committee has had every possible opportunity, and if they wish to call in any other members or any of the officials of the Canadian Broadcasting Corporation they certainly may do so. There has been no curtailment in any respect, and I know that you did not intend to say that this was a whitewashing expedition, because you have had every opportunity.

Hon. Mr. LAWSON: No, no, no, Mr. Chairman; let us be fair. You in your statement just said to call any other person or any official of the Canadian Broadcasting Corporation. That is the whole point I am making; obviously we can only get one side of the story from the Canadian Broadcasting Corporation. What else could you get?

The CHAIRMAN: That is all our reference contemplates.

Mr. BOUCHARD: Where did you get your information?

The CHAIRMAN: The order of reference asks us to do certain things.

Hon. Mr. LAWSON: I got my information by reading from the reports of past committees, the evidence; and from an enormous amount of correspondence

I received from hundreds of private sources. That is the way in which I got my information.

The CHAIRMAN: Have you received any communication from anybody asking to appear before this committee?

Hon. Mr. LAWSON: I have received no communication from anyone direct, except that the representatives of this organization asked that they might be given an opportunity of being heard. I did not receive any communication from anyone otherwise asking that they be given an opportunity to appear here. I can only say that on every other committee of this House of Commons which ever inquired into radio or its operations, or its policy or anything else. In connection with nationalization, we were given an opportunity to make it public that an opportunity would be given to the private broadcasters to come here and make presentations. As a matter of fact, the chairman of the Canadian Broadcasting Association has been at every committee that has been held in the past, 1932, 1934 and 1936. My submission—

Mr. FACTOR: That is altogether different. The committee functions in the other years, as you are aware, were principally to consider nationalization; and naturally before we arrived at a decision on that point we afforded an opportunity to anyone who wanted to be heard of appearing before us so they might make their representations on the problem which we then had before us. To-day, the question of nationalization has been settled. That problem is no longer before us, and consequently there is no one to discuss it. The point we are now investigating is as to how that functions, how the Canadian Broadcasting Corporation is working out. That, it seems to me, is quite clear.

The CHAIRMAN: I have not the order of reference of 1936.

Mr. FACTOR: It was quite different.

The CHAIRMAN: As far as I can recall it, it was an entirely different reference to the reference we have here to-day.

Mr. MARTIN: Yes, it went into the whole question of principle.

Mr. EDWARDS: My recollection of the radio committee of 1936 was that its greatest activity was its having gone into the broadcasting activities of a gentleman by the name of Sage.

Mr. MARTIN: Yes, that was a very important matter.

The CHAIRMAN: I have here the order of reference for 1936. If it is the wish of the committee I shall be glad to read it.

Some Hon. MEMBERS: Read it.

The CHAIRMAN: It reads:—

That a special committee consisting of: (the names are indicated) be appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof; to advise what, if any, changes shall be effected in the existing system of radio broadcasting; and whether the said statutes and regulations should be amended in whole or in part, and what, if any additions should be made thereto; also to inquire into the extent to which there has been any abuse of broadcasting privileges, either for political or advertising purposes, and to advise as to what principles should govern the regulations or control thereof; that Rule 65 be suspended in relation thereto; that the said committee be empowered to send for persons, papers and records, to examine witnesses for evidence, to print such papers and evidence from day to day, as may be ordered by the committee for the use of the committee and members of the house, and to report from time to time.

[Major W. E. Gladstone Murray.]

We were definitely told by the House of Commons in the previous committee to do certain things.

Hon. Mr. LAWSON: Under the present order of reference you are distinctly told to inquire into the policy of the Canadian Broadcasting Corporation—and among other things it includes development.

The CHAIRMAN: It reads; "that a select committee—"

Hon. Mr. LAWSON: And I say that you cannot inquire into policy without having an opportunity of hearing witnesses who because of their experience and special qualifications in the radio broadcasting business can place facts and suggestions with respect to policy before us. Up to date we have heard merely from officials of the Canadian Broadcasting Corporation; and I still say that the chairman of this Canadian Broadcasting Association—if that is the name of the private organization—that the chairman, or the president, or whatever his official title is—of that organization should be specifically asked to come before this committee if he wishes to make a presentation. And I think wide publicity ought to be given to the fact that the committee is willing to hear any representations from private broadcasters who care to come before this committee.

The CHAIRMAN: Does anybody else wish to speak to the motion?

Mr. BOUCHARD: It seems rather strange to me, Mr. Chairman, that when we are about to conclude our committee work that a member of this committee comes in with this intimation and just prolongs our work. If it were so evident that that witness should have been called, I think it should have been evident from the outset; and I still maintain that Mr. Lawson, who has shown us the source of his information—and it is valuable information—I do not see how under the terms of our reference we could do what he asks.

Hon. Mr. LAWSON: Now, Mr. Chairman, on the point raised by my friend Mr. Bouchard, I had no opportunity to raise the question I am now raising at any earlier stage. You remember when this committee was appointed you made it clear that nobody was going to be heard before the chairman of the board of governors of the Canadian Broadcasting Corporation. I then tried to let us get on with some other business, but the committee supported you in that by a substantial majority—that we hear Mr. Brockington, and immediately following that that we hear Mr. Morin.

The CHAIRMAN: I said that?

Hon. Mr. LAWSON: You said it. You said that we should then hear Mr. Morin.

The CHAIRMAN: No, Mr. Lawson, I never said that.

Hon. Mr. LAWSON: Well then, the committee said it—let me put it that way.

The CHAIRMAN: Yes.

Hon. Mr. LAWSON: It was decided right from the start that Mr. Brockington was going to be the first one to be heard before this committee. Then we heard Mr. Morin, and then Mr. Murray. We have had no opportunity until this meeting to hear from anybody other than the board of governors or officials of the Canadian Broadcasting Corporation; and then, today, you stand up after I have said I have a few more questions to ask and say that we have concluded our sittings, or words to that effect. Then, I merely raised the question that we should hear from other parties. I merely point that out in answer to Mr. Bouchard.

Mr. HAMILTON: Before I take any stand on this I think my friend Mr. Lawson should take his responsibility. This committee as I understand it has the power—it is this committee that is reviewing certain things, and anything further that comes before us by way of evidence or information should be some-

thing that the committee wants to know and not a general invitation for outside people—

Mr. BOUCHARD: Hear, hear.

Mr. HAMILTON: —to come from one end of the country to the other. Not that I have any objection whatever, but I think Mr. Lawson should say that he would like to have a certain person called as a witness before this committee. My attitude then might be different to what it is to the proposal that you simply open this committee wide and send out a general invitation for anyone who wants to appear here. After all, as a member of this committee, I think he should definitely assume the responsibility of calling whoever it is he wishes to have appear before us as a witness. If he were to do that I might change my view.

Hon. Mr. LAWSON: I do not think I have ever been known to avoid a responsibility. I move that the president of the Canadian Broadcasting Association—what is the name of that organization, do you know, Mr. Weir?

Mr. WEIR: The Canadian Association of Broadcasters, I think.

Hon. Mr. LAWSON: I move that the president, or the chairman,—I am not sure just what his title is—of the Canadian Association of Broadcasters be requested to attend before this committee at his own expense at the next sittings, or at some sitting.

The CHAIRMAN: Should that word be “request”?

Hon. Mr. LAWSON: That he be requested to attend before this committee—or invited—

Mr. BOUCHARD: Invited.

Hon. Mr. LAWSON: Invited—I don’t care—invited or requested—I will put in whatever word is suitable to the members of the committee—to appear before this committee at a sitting to be arranged by the chairman in order to make any presentation he may wish to make with respect to the subject matter of our reference.

Mr. HAMILTON: That is the point I take; it is not to make any presentation he wishes to, it is to give information which this committee wants to hear.

Mr. MARTIN: I want to discuss the point which Mr. Lawson has just brought out. At an earlier stage I asked if the chairman or any other member of the committee had received requests from anyone wanting to give evidence before this committee, and no one has had such a request. Now, the suggestion in the way that Mr. Lawson has put it, that we should call a certain individual with nothing in mind, is I think absolutely going outside of the reasonable scope of our reference. I am going to register strong objection, for this very reason: I was opposed to this committee. I mean, we attempted in the Canadian Broadcasting Corporation Act to establish an organization that would as far as possible absolutely remove from political intervention all matters pertaining to radio; and I think we might as well clearly establish now that the Canadian Broadcasting Corporation is going to be what it was intended to be and that it must not be made a political football. Now, to call witnesses in the manner that Mr. Lawson has suggested will be playing into the hands of those who want to see the Canadian Broadcasting Corporation a political plaything. I for one do not want that to happen and I am absolutely opposed to this suggestion.

Mr. EDWARDS: I have very much pleasure in seconding the motion made by Mr. Lawson.

Mr. MARTIN: Very much?

Mr. EDWARDS: Yes, very much. I have never intended that this should be made a political football, and I think Mr. Martin was very wrong in introducing it.
[Major W. E. Gladstone Murray.]

ducing that subject. All I want to do is to get information that will clear this matter up.

Mr. FACTOR: What matter?

Mr. EDWARDS: Never mind. The complaints that have been made in the press and elsewhere.

Mr. FACTOR: As to what?

Mr. EDWARDS: I have heard nothing that would justify those complaints up to date. I am perfectly satisfied with the evidence that has been given here, but if there is any question as to some other evidence which should be brought before this committee to give us further information, then I want to hear it. I do not think it is a political matter at all, but I think my friends are making it a political matter. Therefore, I have very much pleasure in seconding Mr. Lawson's motion.

The CHAIRMAN: Does anyone else wish to speak on this motion?

Mr. ISNOR: Yes, Mr. Chairman, I should like to speak on the general thought as well as the motion. I would have hesitated to take part in this discussion and would rather have left it to my legal friends—

Mr. EDWARDS: They get us into all the trouble.

Hon. Mr. LAWSON: And then charge to get you out of it.

Mr. ISNOR: They appear to think they can interpret the resolutions better than the average layman, but if I am not greatly mistaken the resolution was the outcome of the tabling of the report of The Canadian Broadcasting Corporation tabled by the Minister of Transport. Now dealing with the word "policies" the exact wording is, "and to review the policies of the Corporation with special reference to revenue, expenditures and development." Mr. Lawson raises the question of the policies of the Corporation. I would say that that has reference only to the revenue, expenditures and development arising out of the report. Now, we have so thoroughly covered that, having had those before us to give the information relative to the report, that I cannot follow the reasoning of Mr. Lawson and Mr. Edwards in bringing this into the picture at the present time. For that reason I certainly think we have concluded this portion of our work as covered by the resolution, and I cannot see how I can do otherwise than favour the bringing to a close of these proceedings.

Mr. PATTERSON: Mr. Chairman, I am not a lawyer; I am just a layman, and I do not know just how far we can go on this. But this morning Mr. Murray stated that this program was put into effect with the consent of some of the stations. I think it was the manager of the Charlottetown station who was here this winter, and although I do not remember just all the information he brought out, I know there was a doubt in my mind at that time as to his ability to deal with the present question. I think probably the questions Mr. MacLean asked this morning were sent to him by this gentleman from Charlottetown. I do not remember his name. But I am in kind of a dilemma to know what to think, whether we are justified in going further into the matter. However, I will be frank in saying that I feel like supporting Mr. Lawson's motion.

Mr. FACTOR: Mr. Chairman, just to illustrate the feeling amongst the broadcasters themselves, may I tell you that I have received a communication from the Broadcasters Association enclosing the brief that was presented in 1936 to the committee and saying in that letter that the representations contained in the brief hold good at the present time. They have nothing further to add to what they presented in 1936. Now, we listened to their representations in 1936, which are contained in this brief, and apparently they are not very anxious themselves to make any further representations. They are

taking this matter as a fait accompli, and I do not know why Mr. Lawson wants them to come if they do not want to come themselves.

MR. HAMILTON: Mr. Chairman, what I believe is the situation is that the C.B.C. is on the spot for investigation and review of their policy. If there is any witness that can give any evidence bearing on that, I think we should call him, whether he is president of a certain organization or not. It is one thing to say you have evidence to present in connection with something before this committee and another thing to say that the purpose of asking him to come is to make such representations as he shall see fit, which I think is the wording of the motion. If that is the wording of the motion, that is not my idea and I do not intend to support it.

Hon. MR. LAWSON: Mr. Chairman, I will change the wording of the motion if I may. I move that the president of The Canadian Association of Broadcasters be requested to appear before this committee as a witness, and that any other persons desired by any member of this committee also be requested to attend.

MR. MARTIN: Mr. Chairman, I ask for a ruling upon the question as to whether or not this motion is in order. The terms of the reference given to this committee, I think, are so clear that I would suggest to you that you would have to move that we would not have an opportunity of passing judgment on the motion because it is out of order.

MR. EDWARDS: Just on that point, I am not a lawyer, and I do not want to split hairs and I object to this hair-splitting business. If there is any information this committee can get that would be useful, not only to ourselves but to the C.B.C.—and we are all behind the C.B.C.—if we can get any information that will be useful to us and constructive, let us get it, by all means. Why not? The people of this country own the C.B.C., not a few people in the House of Commons. I think that this is just pulling the herring across the trail and not getting the information we require. I objected the other day in the railway committee because things were being run through and a power-play put on. I object here too if we are not going to get information that we require.

The CHAIRMAN: Surely you do not suggest railroading.

MR. EDWARDS: I will take back "power-play." I perhaps should not have said that, for this reason: This is an entirely different situation from that which was presented in the railway committee. But at the same time I do not see why we should not be able to get information if we can get it in the proper form. I agree that there should be some specific idea.

MR. FACTOR: That is the very thing.

MR. BOUCHARD: I have attended many committee meetings and I think this committee has been one of the most harmonious. Every member of the committee has had every opportunity of expressing his views. Now we are faced with a motion based on a mere assumption as to what someone might have to say—"might have"—So far we have not had one serious criticism. Well, in the ordinary course of life if we wish to invite people at large every time they "might have" something and ask them to come and give us some new idea we would never conclude anything; never in the world.

MR. EDWARDS: This is an expert we are seeking to call.

MR. BOUCHARD: He may be an expert. Everything went very smoothly until we got all the information we desired, and now we are met with just a pious wish that someone should come who might perhaps enlighten this committee. Well, it seems to me just as a layman—perhaps if I were a lawyer I would not try to make a case—but it seems to me most extraordinary—to use a parliamentary term—otherwise I might use stronger language—but it seems to be a most extraordinary procedure.

The CHAIRMAN: Mr. Martin has raised a point of order. Am I right?
[Major W. E. Gladstone Murray.]

Mr. MARTIN: Yes.

Hon. Mr. LAWSON: Before you rule on it would you please receive my motion? I have now put it in writing.

The CHAIRMAN: You may read it.

Hon. Mr. LAWSON: My motion reads:—

That the chairman or president of the Broadcasting Association of Canada be requested to appear at his own expense before this committee as a witness with respect to the subject matter of the reference to this committee.

The CHAIRMAN: You have raised a point of order, Mr. Martin?

Mr. MARTIN: Yes.

The CHAIRMAN: On the point of order: After further examining and again reading the order of reference from the House of Commons giving us instructions as to what we should do in this committee I am bound to rule, Mr. Lawson—and I regret to have to do so, because it is a responsibility which I do not usually like to take, because in any committee that I have been on I have always tried to refrain from giving any rulings—they are not very pleasant—but the order of reference does not give us that power. And the rule of the committee distinctly says this: "The committee is bound by and is not at liberty to depart from the order of reference." And, being convinced the order of reference does not give us that latitude of calling witnesses I have to rule your motion out of order.

Hon. Mr. LAWSON: Then, Mr. Chairman, I appeal against the ruling and I would ask for a recorded vote.

The CHAIRMAN: Those in favour of sustaining the Chairman's ruling will kindly signify.

Hon. Mr. LAWSON: In what manner?

The CHAIRMAN: By yeas and nays.

Hon. Mr. LAWSON: I would like yeas and nays.

The CHAIRMAN: It shall be yeas and nays.

Hon. Mr. LAWSON: Would you mind calling the vote, Mr. Chairman?

The Clerk polls the committee.

The Clerk reports: Mr. Chairman, yeas, 6; nays, 2.

Hon. Mr. LAWSON: In that event, Mr. Chairman, may I point out to you that your ruling is of no effect because this committee has not a quorum and therefore the proceeding is without force or effect.

The CHAIRMAN: We have a quorum.

The CLERK: The Chairman did not vote.

The CHAIRMAN: We have nine, Mr. Lawson. And I might make this observation, that the vote would not have been taken if we had not had a quorum.

Mr. FACTOR: I want to congratulate Mr. Lawson on the first signs of activity in this committee by reason of his latest move.

Mr. MARTIN: I just want to make one observation so it will be on record in the minutes; in taking the stand I have taken I want it understood that I was not opposed to having a full exposition of any matter.

Hon. Mr. LAWSON: Oh, no.

Mr. MARTIN: I do not see how we could have taken any other stand, in view of the terms of the reference. It is open to any member of the House of Commons or to any member of this committee to expand those terms of reference in the proper way, but having in mind the terms of reference as they are there, no other course was in my judgment open to this committee.

The CHAIRMAN: Now, gentlemen, it is 20 minutes to 2, and as far as I can find out our proceedings are finished.

Hon. Mr. LAWSON: No, Mr. Chairman, I still have a few questions to ask.

The CHAIRMAN: I thought you were finished.

Hon. Mr. LAWSON: No. You know I told you I had some other matters I wanted to bring up.

The CHAIRMAN: Would it be agreeable that we should sit to-morrow?

Hon. Mr. LAWSON: It is agreeable to me.

The CHAIRMAN: So that the officials of the Canadian Broadcasting Corporation should get through and get back onto their work. Have you any notice of your questions?

Hon. Mr. LAWSON: Yes, I will be glad to intimate them.

The CHAIRMAN: You have something in writing?

Hon. Mr. LAWSON: Oh, no. I will make them known to Major Murray.

The CHAIRMAN: Then, we will adjourn.

The committee adjourned at 1.40 o'clock, p.m., to meet again to-morrow, April 7, 1938, at 11 o'clock a.m.

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*Canada Radio Broadcasting Board
Title on*

SESSION 1938
HOUSE OF COMMONS



(STANDING COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

THURSDAY, APRIL 7, 1938

WITNESS:

Major W. E. Gladstone Murray, General Manager Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1938

MINUTES OF PROCEEDINGS

THURSDAY, April 7, 1938.

The Standing Committee on Radio Broadcasting met this day at 11 a.m.

The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Ahearn, Barber, Beaubien, Bouchard, Dupuis, Edwards, Factor, Hamilton, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), Martin, Patterson, Woodsworth. (15).

In attendance: Mr. Alan B. Plaunt, of the Board of Governors of the Canadian Broadcasting Corporation.

Also: W. E. Gladstone Murray, General Manager;
Donald Manson, Chief Executive Assistant;
Lieut.-Col. R. P. Landry, Secretary;
Gordon W. Olive, Chief Engineer;
Harry Baldwin, Treasurer;
E. A. Weir, Commercial Manager;
J. Arthur Dupont, Commercial Manager, Quebec District;
William O. Findlay, Assistant to Chief Executive Assistant;
W. R. Mortimer, Assistant to Treasurer;
K. A. MacKinnon, Engineer in Charge, Transmission and Development Branch;
R. E. Keddy, Secretary to General Manager, and
T. T. Odell, Program Department.

Mr. W. E. Gladstone Murray recalled.

He presented answers to the questions asked for by members of the Committee at a previous sitting and was examined by various members of the Committee.

Mr. Murray also presented to the Committee many of the programs for this year, 1938, which the C.B.C. would endeavour to broadcast.

The Chairman on behalf of the Committee extended its appreciation to the Chairman and Members of the Board of Governors and to the General Manager and officers and staff of the Canadian Broadcasting Corporation for their co-operation and valuable help in the work of the Committee.

The Committee adjourned at 1 p.m. to meet again at the call of the Chair.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

April 7, 1938.

The Select Standing Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, we have a quorum and if you will come to order we shall proceed. Yesterday Mr. Lawson asked some questions of Mr. Murray, and I think he is prepared to answer them now.

Mr. W. E. GLADSTONE MURRAY, recalled.

By Hon. Mr. Lawson:

Q. Mr. Murray, I think it was Mr. Brockington who made a statement here that private stations were making a profit of \$100,000 a year. I want to know if that statement was based on any data or information available to the C.B.C., or is it merely a matter of opinion?—A. The C.B.C. has no information on that subject, Mr. Chairman.

Q. Then, a bulletin was put out by the C.B.C. as I advised you yesterday, dated the 15th of March, I think it was, with reference to the fact that negotiations had been pending for six months to obtain the broadcasting of symphony orchestras. Is there any correspondence available in connection with these negotiations, and if so what are the dates?—A. I have a prepared answer, and I should like to read it if I may.

From the beginning of the C.B.C. it was part of the fundamental policy to arrange as soon as possible the regular broadcasting of the principal orchestras of Canada. Negotiations and conversations to this end were begun in November, 1936. Continuous touch has been maintained with the Toronto Symphony Orchestra and the attitude towards that organization may be taken as typical of the attitude towards other worthwhile orchestras in Canada. The General Manager had a conference with Colonel Bishop of the Toronto Symphony Orchestra about the middle of November, 1936. This began the first phase of negotiations which ended in August, 1937. There is exhibited a copy of Colonel Bishop's letter to the General Manager dated February 26, 1937, with the acknowledgment of March 3, 1937.

The CHAIRMAN: Shall we permit Mr. Murray to read the letter, or shall we put it on the record?

Hon. Mr. LAWSON: As far as I am concerned it could be put on the record.

The WITNESS: I should like to read the letter. The letter is dated February 26, 1937, and is from Arthur Bishop:—

MASSEY HALL,

Toronto 2.

Dear Mr. MURRAY,—The Symphony Association, with the current season drawing to a close, is preparing plans for the next.

You will realize, I know, that there is a great deal to be done in the way of arranging guest artists, remunerations, contracts with players, dates, etc., etc., and in this connection, one has always the C.B.C. in mind.

STANDING COMMITTEE

One submits, therefore, that if the Board of the Corporation contemplates utilizing the services of the Orchestra, we should know as soon as possible, at your convenience, as to the number of concerts, the dates whereupon they would probably fall, etc., so we can arrange our budget accordingly, as well as bringing to line all those other details which are necessary, that the organization should be available to you.

One retains a most pleasant recollection of a visit with you, in November, and I trust that all goes well with you.

Kindest personal regards,

Yours very truly,

(Signed) ARTHUR BISHOP.

Then, on the 3rd March there was this acknowledgment:—

Colonel ARTHUR BISHOP,
The Toronto Symphony Orchestra Association,
Massey Hall,
Toronto 2.

Dear Colonel BISHOP,—Many thanks for your letter of February 26th. I am glad you wrote us in good time, about the plans for next year. We are giving this early consideration.

With kind regards,

Yours sincerely,

(Signed) W. E. GLADSTONE MURRAY,
General Manager.

Conversations continued and more attention was paid to the subject, especially after the appointment in the middle of March of Sir Ernest MacMillan and Mr. Wilfred Pelletier as music advisors to the C.B.C. There is exhibited a copy of Sir Ernest MacMillan's letter of March 29, 1937.

THE TORONTO SYMPHONY ORCHESTRA ASSOCIATION

MASSEY HALL,

Toronto 2.

DEAR MAJOR MURRAY,—I have been thinking over broadcasting possibilities for the Toronto Symphony Orchestra for next year. As I said in discussing this matter with you, it would be difficult to arrange our regular programs in such a way that the second half alone could be effectively broadcast, but I hope to have the programs outlined in time to be printed for our final concert (April 6th; could you and Mrs. Murray perhaps come to Toronto to hear it?) and shall let you have a copy as soon as possible, so that you can judge for yourself.

Following are the open dates for next year's subscription series: October 26; November 9; November 23; December 7; January 11; January 25; February 8; February 22; March 8; March 22; these are all Tuesdays. In addition, there will probably be "extra" concerts on November 16 (I am planning to do "Elijah"), on January 4 and February 15, probably with guest conductors. Our "Christmas Box Party" is planned for December 14.

[Major W. E. Gladstone Murray.]

Dates for the Massey Hall "Celebrity" series are: November 2; November 30; January 18; February 1; March 15. We hope to arrange our "out-of-town" engagements for these dates. Massey Hall will be engaged for another organization on either March 1 or 29.

This, as you see, leaves very few Tuesdays, but from our point of view it is desirable, and even necessary to stick to the same evening throughout the season, as the men get tied up on other nights. It might, of course, be possible to broadcast the out-of-town concerts (except in the towns visited) in which case we should naturally vary the programs, but the pick-up might not be satisfactory and, in towns where there was no station, it would involve extra telephone charges.

I have in mind the possibility of giving two suitable works in the Christmas season as studio broadcasts—Hansel and Gretel on December 21 and an abbreviated "Messiah" on December 28. Would this appeal to you? If so, we might be able to engage the men for an unbroken series of Tuesdays.

I appreciate that what you want is a regular day, and it might be possible to arrange a series of Saturdays before the hockey season claimed that evening. Or would that be a bad evening in any case? Sundays are impossible—there are too many orchestral broadcasts from the States. On Mondays you have the Melodic Strings, who are doing good work; Wednesday is bad for me as I have my choir rehearsal (though that might be readjusted) and, as I told you, I feel we should steer clear of Thursday in Toronto, so far as public concerts are concerned on account of the series in Eaton Auditorium. Friday is not a bad night except that nearly every church choir in the country rehearses on that evening, and a good many who would otherwise be interested would be unavailable—except, perhaps in Alberta and British Columbia. Saturday afternoon is no good when the Metropolitan Opera is broadcasting, though it might not be a bad time outside of their season.

I should very much like to do a series of full two hour programs, and, incidentally, let some of our best Canadian musicians be heard as assisting artists. I suggest also the desirability of building up a small choral unit—not more than fifty at any one time—on the lines of the B.B.C., where, I understand, a larger number is available than is ever required for any particular broadcast. This is a wise plan, as some of the best singers may wish to feel free to take other more lucrative engagements, but are glad to take a small fee if the contract is not too binding. I am not much impressed as a rule with large choruses on the air—they are apt to sound muddy, and the slightest deviation from pitch is often painful.

With kindest regards to Mrs. Murray and yourself, and renewed thanks for your hospitality last week, I am

Yours very sincerely,

(Signed) ERNEST MacMILLAN.

Negotiations continued with Mr. J. W. Elton, the business manager of the Toronto Symphony Society. Various estimates were considered and examined between May and July. There was a prospect of a favourable outcome. Unfortunately, however, the uncertainty of the budget situation made it necessary to contract expenditure so considerably that the project had to be deferred. The letter from the General Supervisor of Programs to Mr. Elton of September 16, 1937, is exhibited.

J. W. ELTON, Esq.,

Manager,

Toronto Symphony Orchestra Association,

Massey Hall,

Toronto 2.

OTTAWA, September 16, 1937.

DEAR MR. ELTON,—I am taking the liberty of answering your letter of September 2 addressed to Mr. Murray.

You will recall that I telephoned to you in Toronto and explained that unfortunately our budget for the time being would not permit us to broadcast any Canadian symphony concerts. This was a disappointment to both Mr. Murray and myself as we had definitely planned on a fairly lengthy series of symphonic concerts for the coming season. Several sources of revenue which we expected to draw on have not been made available to us and for this reason we will have to carry on until probably the first of the year on a fairly limited budget, at least one which will not permit us to spend more than \$300 or \$400 per hour.

I sincerely hope that we have not inconvenienced either Sir Ernest or yourself too much. You can rest assured that as soon as we can see our way clear financially to engage the Toronto Symphony we will be more than pleased to do so.

Yours truly,

(Signed) E. L. BUSHNELL,

General Program Supervisor.

This refers to a letter of September 2, which is not exhibited for the reason that it contains confidential figures. Mr. Bushnell's letter of September 16, marked the end of the first phase of negotiations.

The second phase of negotiations began at once. Both the C.B.C. and the management of the Toronto Symphony Society attempted to secure commercial sponsors; a number of firms were approached and various proposals were considered. These negotiations continued throughout the autumn and early winter. The Board of Governors was kept informed, and in this connection there is exhibited a memorandum from the Chairman, Mr. L. W. Brockington, dated April 6, which concerns the part he played during November 1937.

On or about November 15, I saw Major Hahn in company with Mr. Murray and discussed with them the possibility of broadcasting Toronto Symphony Orchestra performances.

Mr. Murray and myself stated that nothing could give C.B.C. greater pleasure than to broadcast one major musical organization every week, if possible, but that in present financial conditions it was not possible but an early improvement of opportunity was expected and hoped for.

It was, however, decided,—

- (a) That the Corporation would in the meantime explore the possibility of special programs.
- (b) That Major Hahn and his associates would survey the possibility of special broadcast rates to facilitate early and continuous broadcasts of the orchestra by the C.B.C. and would consider possibility of special reduction in fee in case Toronto orchestra could be broadcast nationally with Toronto circuits closed, and Montreal Symphony Orchestra broadcast nationally with Montreal circuits closed.
- (c) That both C.B.C. and the orchestra would attempt to obtain sponsorship of institutional broadcasts of this orchestra.

[Major W. E. Gladstone Murray.]

A day or so later, on a visit to Toronto, I was invited to lunch by Major Hahn, Sir Ernest MacMillan, Mr. Floyd Chalmers, and other directors of the Toronto orchestra, and the same subject matters were amicably discussed at the luncheon.

(Signed) L. W. BROCKINGTON,
Chairman.

Unfortunately, no sponsor could be secured and towards the end of December Major Hahn, for the Toronto Symphony Society, indicated to the General Manager of the C.B.C. that in the absence of support by the C.B.C. the Toronto Symphony Orchestra probably would be dissolved and its conductor lost to Canada.

While these negotiations were in progress with the Toronto Symphony Orchestra, information was gathered concerning other orchestral organizations and it became clear that they were all in difficulties more or less urgent. After most earnest consideration and taking into account the prospect of additional revenues for 1938-39, it was decided to embark upon a bold policy of co-operation with several of the principal orchestras. The second phase of the negotiations, which began in September with the endeavour to enlist the support of a commercial sponsor, ended in March with the assumption by the C.B.C. of the financial responsibilities involved.

The result is that, for the first time, Canada's leading orchestras are to be presented regularly to an audience always nation-wide and sometimes international. The achievement of this objective in fundamental policy is now made possible by the strengthened financial position. From the angle of program development there is room for a larger proportion of symphony music than has been carried during the past year. From the angle of public policy meritorious artistic effort in Canada should be given the advantage of improving conditions. All the worthwhile music organizations of Canada are ultimately to be included; but the process will have to be by stages not only because of the observance of program balance but also because of the necessity of prudent finance.

From the Toronto Symphony Promenade Concerts, under the direction of Reginald Stewart, beginning on Thursday, May 5, and ending on Thursday, October 13, the C.B.C. has arranged to broadcast one hour weekly from 9.00 to 10 p.m. E.D.S.T. The National Broadcasting Company will carry these programs as international exchange features.

Beginning on Tuesday, October 25, the C.B.C. will broadcast twenty concerts by the Toronto Symphony Orchestra, directed by Sir Ernest MacMillan. Twelve of these will be from Massey Hall and eight will be studio performances. The actual timing of the programs is not yet settled but will be either 9.00 to 10.00 p.m. E.S.T. or 9.30 to 10.30 p.m. E.S.T.

From Montreal, there will be two main series, one by the Montreal Symphony Orchestra beginning on Thursday, October 22, 9.00 to 10.00 p.m. E.S.T., and the other by La Société des Concerts Symphoniques, either alternating with or following the series of the Montreal Symphony.

A proposal has been made to the Vancouver Symphony Orchestra for broadcasting parts of their Sunday Afternoon Symphony Concerts which normally are given in Stanley Park during the summer.

Following the series by the Toronto and Montreal Symphony Orchestras, it is planned to introduce the Calgary Symphony Orchestra to the national audience in the spring of 1939.

Further proposals are under consideration including representations from music societies at Halifax, Saint John, Ottawa, Hamilton, London (Ontario), Fort William, Winnipeg, Regina, Saskatoon, and Edmonton. In at least some

of these places it is likely that the best local artistic expression will be effected through combinations smaller than the normal balanced symphony orchestra. Thus the function of public service broadcasting, sometimes described as "Ministry of the Arts," now tends to bulk more than it did.

One word of warning, however, is necessary. The natural enthusiasm of local symphony and other music societies can be counted upon to emphasize local aspirations. It is for the C.B.C. with expert guidance to broadcast only what is worthwhile, meanwhile giving encouragement and as much help as is possible to organizations, the standard of performance of which still leaves something to be desired.

By Hon. Mr. Lawson:

Q. Then, I called to your attention a questionnaire which had been sent out containing some nineteen pages of questions. Have you been able to locate that document?—A. Mr. Chairman, I have located a number of documents and I would like now to have the benefit of comparing what I have here with what Mr. Lawson may have. I have a nineteen page document in front of me which I would like Mr. Lawson to compare with what he has.

Q. The one I have has the first seven pages missing.

By The Chairman:

Q. Is that questionnaire sent out by the Canadian Broadcasting Corporation?—A. No, the National Broadcasting Corporation. I have the original.

By Hon. Mr. Lawson:

Q. Was that sent out by the C.B.C.?—A. No.

Q. It was not sent out by your organization at all?—A. No; we had another one entirely. It is the National Broadcasting Corporation that sent out this one.

Q. How did it happen to go to all your employees?—A. It could not have.

Mr. MARTIN: So the committee can understand what this is all about, would you tell us what it is?

Mr. ISNOR: Before we pass on to another subject, are we at liberty to take up one or two questions arising out of the statement of Mr. Murray just read?

The CHAIRMAN: Yes, I think so.

Mr. ISNOR: I should like to draw Mr. Murray's attention to the fact that Montreal is the orchestra slated to broadcast the first program, from 9.00 to 10.00, or 8.00 to 9.00, 9.00 to 10.00 eastern standard.

The CHAIRMAN: Or 9.30 to 10.30.

Mr. ISNOR: That means 10.30 to 11.30 Atlantic time. I would suggest that in the second series of broadcasts from the Toronto orchestra that the broadcasting be not begun at 9.00, but rather begun at an earlier hour to give the listeners in the Atlantic region an opportunity to hear the program at a fairly decent hour. A lot of them are in bed at the hours suggested.

The CHAIRMAN: They go to bed early down there.

Mr. ISNOR: I do not want to bring the extreme eastern viewpoint to the fore too much, but naturally we must look after our interests down there. Nearly every time you turn on your dial you find Vancouver programs being given a very prominent place. Now, that is fine. Today Montreal and Toronto appear very much to the front, and from what I have heard from those who are supposed to know, we have in Halifax a particularly fine orchestra, the Halifax Conservatory Orchestra, led by Professor Ifan Williams. He has given one or two programs which have been of a very, very high type. I am

[Major W. E. Gladstone Murray.]

making the suggestion to Major Murray so that he may give it further thought before definitely deciding on the whole of next year's programs being confined to Montreal and Toronto. I should like him to consider that a little more.

Mr. EDWARDS: Apropos of what Mr. Isnor has said, I should like to state and to assure him that in central Ontario we receive a great deal of pleasure listening to Professor Stewart of Dalhousie, which is from the extreme east.

Mr. ISNOR: It is a real contribution.

Mr. EDWARDS: A real contribution is right.

The WITNESS: I should like to say in regard to the orchestras, the Halifax orchestras, that we are aware of the quality of the two Halifax orchestras, and the series of concerts, the report of which I have given, is not meant to be exclusive of our normal broadcasting engagements. You might also observe that Halifax is at the top of the list of those centres which we have under consideration.

Mr. ISNOR: Yes, I noticed that.

The WITNESS: For developing this work. I can give complete re-assurance of our estimate of the artistic merit of the Halifax effort from both orchestras. Due to time we are faced, of course, with the difficulty that we want to strike a mean as between Pacific standard time and Atlantic standard time. 9.00 to 10.00 eastern standard time means 6.00 to 7.00 Pacific standard time; 10.00 to 11.00 Atlantic standard time means 6.00 to 7.00 Pacific standard time; if we go on at 8.00 to 9.00 eastern standard time it makes it very awkward in the west. We have to strike a kind of balance in that matter; but I shall have your representations given special attention when we get to the actual timing of the programs.

Mr. ISNOR: Thank you.

Hon. Mr. LAWSON: I do not think there is any advantage in encumbering the record with something that does not relate to the C.B.C.

The CHAIRMAN: I am glad you take that stand.

Hon. Mr. LAWSON: I understand from you, Mr. Murray, that this questionnaire concerning which I have been asking information, was not issued by the C.B.C. at all.

The WITNESS: No.

By Hon. Mr. Lawson:

Q. Not sent out by them?—A. No.

Q. It was apparently something gotten out by the N.B.C. of the United States?—A. Yes.

Q. And in no way related to your activities?—A. No.

Hon. Mr. LAWSON: Then, I see no advantage, Mr. Chairman, in encumbering the record with something that does not relate to the C.B.C. I had just one other thing in mind which I do not think I called to Major Murray's attention yesterday, but I think he can tell me without looking into it. You remember, Major Murray, that I raised some questions in speaking in the House of Commons. In reply to that a statement or explanation was interjected in my speech, in which I said that the address of the Governor General to the Scottish curlers and the reply on behalf of the Scottish curlers had been cut off to bring in the Packard program. It is with reference to that and another similar incident that I wanted to ask for some information. I understand that in Toronto you have a free channel, CRCY, which is not attached to a station. Is that correct?

The WITNESS: It is a supplementary 100 watt transmitter.

By Hon. Mr. Lawson:

Q. Then, you can send programs out over CRCY, though there is no station CRCY. It is merely supplementary to your big new station, CBL?—A. Yes.

Q. When you are carrying a sustaining program on CBL, and that program conflicts with time which you have sold commercially, is it or is it not a fact that the sustaining program is switched from CBL to CRCY?—A. Not invariably. It depends on the importance of it.

Q. No; but I mean does it happen on occasions?—A. There are occasions, yes.

Q. Could you tell me if that is what happened on the program to which I referred in connection with the Governor General's address to the Scottish curlers and the reply on behalf of the Scottish curlers? I think probably Mr. Bushnell might be able to tell us about that.

Mr. BUSHNELL: I can tell you what happened. The address by His Excellency was scheduled, I believe, for thirty minutes.

Hon. Mr. LAWSON: And ran over?

Mr. BUSHNELL: And it ran over, and we had this contract with the Packard Company, I believe, starting at nine thirty; and someone, inadvertently, in Toronto decided that as the time was up, they would have to cut off the Governor General's address; and there was lost, I think, about a minute and fifteen seconds on CBL, but not on the rest of the network, as the Packard hour is only carried on CBL. The full address was carried on CRCY.

Hon. Mr. LAWSON: Oh, yes. Then it was carried on CRCY all the way through?

Mr. BUSHNELL: All the way through; and it was not disturbed on that station; only on CBL.

Hon. Mr. LAWSON: Mr. Bushnell, could you tell me offhand about another one? My information is that on February 8, 1938, an exactly similar instance happened in this respect: Your network was carrying Madam Kitty Hamilton singing from Montreal, with the Montreal Symphony Orchestra.

Mr. BUSHNELL: Yes, that is right.

Hon. Mr. LAWSON: And you were carrying it from nine to ten.

Mr. BUSHNELL: Correct.

Hon. Mr. LAWSON: My information is that this Packard program from the United States cut in to CBL and Kitty Hamilton and the Montreal Symphony was cut off; but I am told that the balance of the program of Kitty Hamilton and the Montreal Symphony was carried on CRCY.

Mr. BUSHNELL: The whole program was carried on CRCY.

Hon. Mr. LAWSON: The whole program was carried on CRCY?

Mr. BUSHNELL: Yes. As a matter of fact, we do not sell any time on CRCY at all. All C.B.C. sustaining programs are carried in their entirety by CRCY.

Hon. Mr. LAWSON: So that any person who happened to be listening to this program of the Montreal Symphony Orchestra on CRCY would have no interruption?

Mr. BUSHNELL: No, none whatsoever.

Hon. Mr. LAWSON: That is on the 100 watt transmitter. But the complaints I have received would be true, that those people who were listening to the big 50,000 watt transmitter, CBL, would find the Montreal Symphony Orchestra cut off so far as they were concerned?

Mr. BUSHNELL: That is right.

Hon. Mr. LAWSON: And the Packard program came in?

[Major W. E. Gladstone Murray.]

Mr. BUSHNELL: Might I just add this, that condition has since been corrected. The Packard hour has since been discontinued, so we have the full hour from nine to ten o'clock free for our programs. Those are contracts which we have assumed; that Packard program had been running after this was first established; and in scheduling programs it is sometimes difficult to keep out of difficulty.

Hon. Mr. LAWSON: What do you mean by that—contracts you assumed? Do you mean when you took over some private stations on your network?

Mr. BUSHNELL: No; probably that is not the correct word to use. We took on the Packard hour before we had any thought of putting on the Montreal Symphony.

Hon. Mr. LAWSON: In other words, you had contracted the time—

Mr. BUSHNELL: That is right.

Hon. Mr. LAWSON: —for a commercial, before you laid your plans for broadcasting the Montreal Symphony. That is a sustaining program.

Mr. BUSHNELL: Yes, that is right.

The WITNESS: There is one point I would like to make to amplify that, since the question of CRCY has been raised. A decision has been taken and will be given effect to as soon as is possible to make that supplementary station 1,000 watts, so that the service in the Toronto area will be improved to that extent.

Hon. Mr. LAWSON: Might I suggest in your advertising of programs that you call it to the attention of the listeners that they should listen to CRCY instead of CBL.

Mr. BUSHNELL: We do that.

Hon. Mr. LAWSON: It makes a great many people very irritated, when those who want symphony music are suddenly cut off without notice and some other program comes in and they have to tune to another station to get it. Those are all the questions I have to ask of Major Murray, Mr. Chairman.

The CHAIRMAN: Are there any other gentlemen who wish to ask Mr. Murray any questions?

By Mr. Johnston:

Q. There was one question in regard to news broadcasting. Does the C.B.C. get their news from the radio news agencies or does it get it directly from the Canadian Press?—A. Directly from the Canadian Press.

Q. Is there not a very efficient news agency created from the radio news agencies that could be much more effective and up-to-date than that which is got out by the Canadian Press?—A. There are competitive news agencies, but our opinion is that for our purpose the service we get from the Canadian Press is the most accurate and trustworthy and perhaps built more in accordance with our policy requirements. It is also under entirely Canadian auspices.

Q. What do you have to pay the Canadian Press for that service?—A. We do not pay them.

Q. Would you have to pay the radio agencies?—A. Yes.

By Mr. Martin:

Q. The Canadian press news comes over the Canadian broadcasting stations once a day, is that right—at eleven o'clock?—A. Well, there are varying arrangements. On some of our stations,—for example, Ottawa—we give a bulletin at 8.15; another one at 12.30; another one at 6.15 in the evening and another one at eleven o'clock.

Q. Of Canadian press origin?—A. Yes.

Q. Why could not Canadian press news broadcasts appear over other C.B.C. stations more often?—A. Well, the main bulletin appears over all C.B.C. stations.

Q. At eleven o'clock?—A. Yes. Then in Vancouver there is another bulletin which originates there at ten o'clock, local time, for the west. That is a Canadian press bulletin. The local bulletins are arranged by stations in accordance with the station requirements. Is it your suggestion that the individual stations should have more news during the day?

Mr. MARTIN: What I have in mind is this: There are many news broadcasts that come over both private and C.B.C. stations in Canada, and most of these—all of these, except the one at eleven o'clock, generally speaking, are not Canadian Press. I think that the Canadian Press broadcast is by far the best because it avoids comments and it is a straight news broadcast, and I think it is desirable that the Canadian Press agency should be given any preference over the C.B.C. stations and, for that matter, over any stations in Canada, particularly preference over the news broadcasts of American origin such as Trans Radio and these other similar agencies. I remember when the Canadian press representatives appeared before the committee of 1936, I think it was Mr. Preston who was then president of the Canadian Press, if my recollection serves me well, urged that the Canadian Press be given an opportunity of making more frequent broadcasts; and I think that Mr. Livesay, who supplemented his evidence, took a similar view. I think it is desirable, and the temper of that committee was, that preference should be given to Canadian Press. I think if something can be worked out to expand or cause greater frequency of the Canadian Press news broadcasts, this should be done. I have in mind particularly the area from which I come. We have, I suppose, four and five times a day over the American stations particularly, news coming into Canada from American agencies, and oftentimes with comments that are made without any appreciation of our political character, and which I do not think are altogether desirable. I think if that can be improved upon, it should be done.

By Mr. Johnston:

Q. Mr. Murray, is it true, with respect to the broadcasting of this news from the Canadian Press, that the news has already been put out in the papers before it is put over the C.B.C.?—A. No, that is not true, Mr. Chairman. I verified this to my own satisfaction. The information is gathered as it is available from the services that provide Canadian Press. They give us the news right up to the minute as it is available. Of course, a certain amount of selection is exercised in the light of the policy which is agreed upon between the Canadian press and ourselves.

Q. What do you mean by "selection"?—A. We avoid sensationalism and we avoid what has been referred to already as tendentious comments, unobjective treatment. I would like very much to subscribe to the doctrine which has been laid down by Mr. Martin, that every preference should be given to the Canadian Press—every preference that is fair, every preference up to the point of discrimination against legitimate commercial competition. Thirty-three stations in Canada now carry Canadian Press ticker service; that is, apart from the regular bulletins. Among those stations are CBO in Ottawa; CBR in British Columbia, CBM in Montreal and CBF, the high power regional station in the province of Quebec; they also carry ticker service in addition to the bulletins. Every encouragement that we can give to the Canadian Press is given, subject of course to the limitation that it is desired neither by Canadian Press nor ourselves to create a monopoly in restraint of trade.

Q. But it is certainly true, Mr. Murray, especially out in the west—I am safe in saying that 90 per cent of the people would rather tune in on the Texaco noon broadcast at one o'clock than the C.B.C., because there is more vital news material given over it. I have been asked by letters, and by I do not know how many people, why the C.B.C. could not avail themselves of the same facilities

[Major W. E. Gladstone Murray.]

that the Texaco news agencies do and broadcast a similar news program; because it is certainly more valuable to the west as far as news items are concerned, and I imagine it would be true here, although I have never heard that broadcast down here.—A. Well, Mr. Chairman, here again we are in the area of individual opinion. I know that there is a school of thought which supports that view; but the Texaco service is Trans-Radio, I believe.

Q. Trans-Radio?—A. But it is felt that on the whole, if you were to compare representative specimen bulletins over a period, you would get all the news and perhaps presented in a better way by Canadian Press service. The other perhaps has more entertainment value, and it is largely a question of which you want to emphasize—entertainment value or news value.

Q. I think there is no doubt that the Texaco news is of a good deal of national importance; and it is not from the standpoint of entertainment value but is of news value.—A. I would like to make this observation, that while there is no doubt about the brightness of that particular news service, there are occasions on which the judgment of the editors is at least open to suspicion, especially in times of international crisis when comments are made. We had many complaints last year about certain things that were intruded into that news service concerning the affairs of the British government, particularly at the time of the abdication crisis.

By Mr. Edwards:

Q. That is on Trans-Radio?—A. Yes. That kind of thing has to be observed with particular care.

By Mr. Johnston:

Q. Was there not a good deal of effort made by the Canadian Press to have the Texaco news broadcast discontinued?—A. No. There has been a thorough understanding about that. The Canadian Press, I believe, in evidence before a previous committee—a radio committee—and certainly in all subsequent negotiations and conversations between Mr. Livesay, the chief executive, and Mr. Duchemin, now chairman of the Canadian Press, there has been no attitude other than to make such a good news service that it would be in the interest of the private stations as well as ourselves to take it on its merits.

Q. That is, the Canadian Press made that suggestion to you?—A. No. That was in evidence in this committee, and their attitude has been consistent with that ever since. So far as I am concerned I naturally give them preference, but only to the extent that I think they deserve, in terms of their service.

The CHAIRMAN: Are there any further questions, gentlemen?

By Mr. Edwards:

Q. Mr. Murray, you would not suggest that in any way the broadcasting of, for instance, CFRB, would be interfered with? I am thinking of the very excellent programs—at least news programs—that come from there. I presume that they are from Canadian Press. I do not know. But the Toronto Telegram's Jim Hunter is one of the most popular broadcasters in our part of the world, and they give a program in the morning; there is another market program to which the farmers listen at noon; and then at eleven o'clock at night we have a broadcast of the Globe and Mail.—A. No, there is no question of interference with that.

Q. No, because there would certainly be a rebellion if there was any interference with those programs.—A. You see, they have responsible auspices. I mean, such great reputable newspapers as the Toronto Telegram, Toronto Globe and Mail and Toronto Star obviously would not put out news which would be discreditable or unauthentic.

Q. So that there is no suggestion at all that their time be interfered with in any way on CFRB?—A. No.

By Mr. Barber:

Q. There was in Vancouver, was there not, a situation about two Vancouver papers; they were discontinued over the C.B.C. lines and there was considerable protest, I know, at the time.—A. Well, that is a very involved subject. What actually happened was this: Last summer we tried the experiment of carrying two news personalities, one a member of the staff of the Vancouver Province and the other a member of the staff of the opposition newspaper, the Vancouver Sun. We carried them during the summer, and we discovered that we were overburdening our programs with news. That was an experiment; and in order to adjust the balance we took these news broadcasts off, and for the time being we put on the Canadian Press—a new Canadian Press news broadcast originating in Vancouver. That was the second stage of the experiment. We are now ready to begin the third stage; because I think that probably the solution of the problem there is half way between. In other words, we do not want to carry as much news as we had last summer, but we want to restore one personality; because apparently the personality element in the news bulks very much more in British Columbia than it does elsewhere in Canada.

MR. BARBER: That is the case in connection with one of the papers, at least.

HON. MR. LAWSON: Lest it should be thought that the popularity of Jim Hunter's news broadcasts is limited to the Toronto area, I would call your attention to the fact that when that part of northern Ontario, Muskoka, and so forth, decided to hold a great winter carnival last winter, they chose as guest of honour to open the carnival and so forth, and invited there and had there Jim Hunter.

MR. FACTOR: And the Hon. Mr. Earl Lawson.

HON. MR. LAWSON: No. That was an accident. I happened to be doing a week's skiing in the north country. I was not a guest. I was an accident.

MR. EDWARDS: The same thing, I might say, occurred in Waterloo County in the farmers' convention. Jim Hunter was chairman and a very popular one.

THE CHAIRMAN: I think Mr. MacKenzie has a few questions to ask. As he has not been able to get here very often, I think we should give him a chance now.

MR. MACKENZIE: I have a number of questions.

THE WITNESS: Shall I read them?

MR. MACKENZIE: You may as well.

THE WITNESS: The first question is:—

Q. Dance orchestras of note exist in at least a dozen Canadian cities. Why is one selected for a trans-Canada broadcast, with great expense for wire leases, in preference to employment of many orchestras for simultaneous broadcasts?—A. I do not know the orchestra referred to by Mr. Mackenzie. It is not the policy of the corporation to engage dance bands as such for studio broadcasts. Our dance programs are picked up by remote control from hotels and nightclubs and are not paid for by the corporation. In the past we have broadcast many of the leading Canadian dance orchestras, i.e., Mart Kenney and his Western Gentlemen, Sandy de Santis, Joe DeCoursey and his Jasper Lodge Orchestra, Horace Lapp from Banff Springs Hotel, Luigi Romanelli from the King Edward Hotel, Lloyd Huntley from the Mount Royal Hotel, Ozzie Williams from the Chateau Laurier Hotel, Ottawa, as well as leading American dance bands such as Ben Bernie, Paul Whiteman, Horace Heidt, etc.—including one ten days ago—a French dance band from London and night club dance bands from continental centres.

[Major W. E. Gladstone Murray.]

I would like to add to that that there is no special expense entailed. In our new wire line contract running to sixteen hours, if we take an orchestra and put it on the network no extra expense is entailed, because we have got to pay for the line anyway.

Mr. MARTIN: That was the real point of the question.

The CHAIRMAN: Just a minute. Are you through, Mr. MacKenzie?

Mr. MACKENZIE: No, there are several other questions. But it is all right. Go on, Mr. Martin.

Mr. MARTIN: I just want to go back to a matter that I raised earlier. Living as I do on the border, I have an opportunity to listen to some of these American news broadcasts; and there are some very excellent news broadcasts of American origin that I think might be given more attention and possibly encouraged, if they have to come from the United States at all. I refer particularly to a broadcast that emanates from Chicago—a Chicago newspaper—and is given by Mr. John Steele, who is, I think, one of the very best commentators on international affairs that the United States has. One hears him say so little, and he is so fair, having in mind our point of view, that I am wondering if the manager of the C.B.C. knows him name, and if he would just bear in mind what I have said. One further observation I should like to make: It is a little disconcerting to one who lives in an area where there is a great newspaper to find that so much importance has been given in this committee to such great papers as the Toronto Globe and the Telegram. I should like to point out that the greatest newspaper in Canada, the Windsor Daily Star, has individuals who could make as great a contribution from that point of view as anyone else. I do not know what has been done in that connection, but I would urge the general manager to bear in mind that the Windsor Daily Star, great newspaper that it is, does offer excellent opportunities in that respect.

The CHAIRMAN: I might say that the member for that district compares very well with that newspaper—one of the best.

Mr. EDWARDS: But just a wee bit parochial.

Mr. MARTIN: I could not allow that remark to go unchallenged. The Windsor Daily Star is anything but a parochial newspaper. It is one of the great papers in this country.

Mr. HAMILTON: Would it be in order for the rest of us to speak for our papers, Mr. Chairman?

The CHAIRMAN: Just a minute. Would you mind waiting until Mr. Mackenzie is through?

The WITNESS: The next question is:—

2. Q. To what extent may a local station owned by the corporation, CBO for example, substitute an advertising program for a corporation network program listed at the same hour?—A. A station owned by the C.B.C. cannot substitute an advertising program for a corporation network program without first having received the approval of the General Supervisor of Programs and the General Manager. Occasionally it so happens that the C.B.C. has previously accepted a commercial contract for a period in which an important sustaining broadcast is to take place. When this happens, every effort is made to have the advertiser cancel his program for this occasion or to broadcast it at another time.

Mr. MACKENZIE: There is a question which has been brought to my attention there. CBO on Sundays, between one and two, I think it is, carry a symphony concert from Montreal, and just in the midst of the thing they break off and give a local advertisement, a program of rather doubtful character. I know I

was asked to listen to it last Sunday and that is what occurred. We found out later, by running around the dial, that we could get it from Montreal. Mr. Lawson was talking about the same question a short time ago. It is the same thing.

Hon. Mr. LAWSON: The same experience that we had on CBL.

The CHAIRMAN: It is the same question.

Mr. MacKENZIE: Yes.

The WITNESS: The next question is:—

3. Q. To what extent may advertising on a local corporation station, say CBO or CBL, exceed the limit for the network?

Mr. MARTIN: I did not know that that is important.

The WITNESS: The answer is:—

A. There has been no specific limit set on the amount of advertising local C.B.C. stations can accept over and above network advertising programs. Acceptance is predicated on the suitability of the advertising program.

4. Q. Is it the policy of the corporation to compete with privately owned stations for advertising programs?—A. Yes, but largely for network programs and not local business.

5. Q. Why does the corporation seek to place musicians and other entertainers on a six-month weekly appearance contract in preference to an occasional-appearance contract?—A. The C.B.C. does not make contracts with musicians for any extended period. All programs are scheduled on a two weeks' cancellation basis, but in order to give musicians sufficient work to keep them in any one centre, it is necessary to provide them with a reasonable income. Therefore, they must be used at fairly frequent intervals and have some assurance of their income extending over a reasonable period of time.

That matter has been referred to in another connection, when the figures were given of the distribution of artists—Canadian artists—the figure of 2,867 and something. I have forgotten the exact figure. You will remember that 17·7 per cent earned at least \$300 a year.

By Mr. MacKenzie:

Q. The reference, I think, in this case was the question of choirs that were unable to do sufficient rehearsing to put on a program every week.—A. The suggestion is that they should be used at less frequent intervals?

Q. At less frequent intervals—given a contract of that nature.—A. Oh. It is possible that we suffer from tyranny of weekly engagements, but on this continent the whole of the program system is built on the weekly basis. It may be that we have gone too far with that, and I shall have that explored.

Question 7 is:—

7. Q. What plans have the Corporation for additional programs suitable for schools?—A. For the past six months the Corporation has explored the possibility of broadcasting to schools. Discussions have taken place between members of our program staff and educational authorities throughout Canada. It is, of course, essential to obtain the fullest co-operation of provincial educational authorities. This, we believe, will be forthcoming shortly.

And it is now forthcoming.

A second factor which makes it difficult to develop this important phase of broadcasting is, of course, the time element. In order to reach the schools at a suitable hour it will be necessary for the CBC to broadcast

[Major W. E. Gladstone Murray.]

at least four separate programs, one for each region. We have also been trying to ascertain how many schools are equipped with radio sets to receive these broadcasts and to date, it is felt that only a small percentage of schools have suitable receiving apparatus.

This season we have co-operated with the Ontario Department of Education and are broadcasting a series of Junior Choral Concerts given by pupils of secondary schools. We hope to be able to do more of this another season.

The Ontario Department of Education is moving officially the matter of formal co-operation next Autumn in connection with the syllabus of primary and secondary schools.

Q. I understand the Department of Education in Manitoba has already done so over CKY?—A. Yes.

The CHAIRMAN: Are there any further questions?

Mr. MacKENZIE: Yes. Number 8.

The WITNESS: Question No. 8 is as follows:—

8. Q. What supervision does the Corporation exercise over the content of the advertising material?—A. The advertising material broadcast on Canadian radio stations comes within the scope of the Broadcasting Act 1936, and the Broadcasting Regulations made thereunder. The co-operation of the inspection staff of the Radio Branch of the Department of Transport, is extended to the Corporation for the monitoring of stations across the Dominion. Infractions of the Act and regulations are reported to the Controller of Radio, who in turn refers them to the General Manager of the Corporation for action and discipline. Local and regional inspectors of the Department of Pensions and National Health are empowered to act on the Corporation's behalf for the enforcement of the regulations governing proprietary or patent medicines and food and drug advertising.

The next question is what supervision of advertising programs does the corporation exercise to make day-time programs suitable for children? The answer is advertising programs of special interest to children are inquired into for general make-up and subject matter so as to avoid anything undesirable or unpleasant, particularly having regard to the age of children whom it is the wish of the sponsor to reach. I am prepared to confess in the beginning that that is a vulnerable point. I think it is a valid criticism and one which is claiming our earnest attention at this moment. Where we are vulnerable is, in my opinion, that we have allowed too many of what are popularly known as "thrillers" to be put on the air for the special benefit of children in the late afternoons. They are certainly open to unfavourable public reaction, not from the children of course, but from their parents.

There is a measure of protection in the procedure. It is described thus: if thought necessary, sample programs from studio productions or transcriptions are then auditioned before the series is accepted and if anything later develops which is thought undesirable in the text the sponsor is asked to remove it. The above applies to C.B.C. stations only.

But I can promise that the proportion of thrillers is about to be reduced so far as our stations are concerned.

The CHAIRMAN: Is that all you had to ask, Mr. MacKenzie?

Mr. MacKENZIE: That is all.

Mr. WOODSWORTH: I have a question to ask in regard to Mr. Johnston's plea for the use of the Trans-radio service.

By Mr. Woodsworth:

Q. As I understand it, Mr. Murray, these would have to be paid for; I should like further to find out whether we can get more use of them without carrying the advertising for the sponsors. Do you know whether that could be done?—A. I have inquired into that. They are not available exactly on that basis. My information is that they are normally available as sponsored; alternatively also, we would have to pay for them.

Q. They would come in under the advertising of other American sponsors?—A. Yes, normally.

By Mr. Johnston:

Q. In that connection, Mr. Chairman, I should like to ask what definite rules are made in regard to controversial speeches over the radio?—A. Well, I think, Mr. Chairman, that the policy in regard to that was fairly fully laid down by the Chairman of the corporation; but if the question could be a little more specific perhaps I could answer it more fully.

Q. I have this in mind: newspapers are permitted, under licence, to operate and control radio and by that influence they probably have eliminated the discussion of controversial subjects over the radio. I think that is very unfair, because it has been demonstrated on a number of occasions that the inference apt to be put upon speeches by people through the press is not accurate. I contend these controversial speeches over the radio are of the greatest importance to the people of Canada, provided decorum is used and the speeches are put over in proper form. I do not think there should be any effort to restrain controversial speakers over the radio. Take an election time for instance. No newspaper would properly interpret a man's address. If he were permitted over the radio there would be no chance of misinterpretation. He is personally liable for anything he says; he has to submit the speech to the Radio Broadcasting Corporation before he gives it, and they have the opportunity of censoring it. I believe controversial speeches within a degree should be permitted over the radio.—A. Mr. Chairman, I can only speak for the Canadian Broadcasting Corporation in its services; but we attempt to encourage controversy, the only limitations being that all main points of view are given a fair opportunity of expression, where the opinion is honestly held and adequately propounded. That is the philosophy behind the current series, which is perhaps the beginning of a national forum, the series entitled "Whither Democracy?" which included the uncensored speeches of Sir Edward Beatty in his advocacy of his particular solution of the railway problem and Mr. Aberhart with his advocacy of his solution of economic problems. These are not exactly in the form of debates, but they do have the advantage of being entirely uncensored. They are chosen according to a plan in which will appear the main points of view on those subjects of active current public interest, our only effort being to hold the ring fairly. There is no censorship, as I said.

Q. There would be no censorship on private stations?—A. On private stations? All that we can do with private stations is to see that they comply with the regulations that exist; and it would depend a good deal on the attitude of the proprietor of the private station. He has to protect himself against legal proceedings, against hazard—

Q. Within guarded limitations?—A. Yes. You raised the question of policy of the newspaper control and management of radio stations. Well, it is obviously not for me to give an opinion on that. That is a question of larger policy that does not affect the administration of the Canadian Broadcasting Corporation.

Q. That has nothing to do with the C.B.C.?—A. No.

[Major W. E. Gladstone Murray.]

Q. I have just one other question to ask you. I received a letter this morning asking why Koram was put off the air in Calgary?—A. I am informed that Koram is a fortune teller.

Q. I was informed quite definitely that he was not.—A. As a matter of fact, it is difficult for me to deal with a question like that, without having the papers in front of me; but if I may be allowed to bring that to the next meeting of the committee I shall be very glad to do it.

Mr. BOUCHARD: If we have one.

By Mr. Johnston:

Q. That will be quite all right.—A. Or failing that I could give you the information privately.

Q. That will be all right.

By the Chairman:

Q. You have prepared your budget for 1938-39?—A. Yes.

Q. Naturally, your programs would be more or less prepared for the fiscal year. Can you give this committee a little resume of your programs?—A. Mr. Chairman, I would be glad of the opportunity of making a statement on programs; and if you will bear with me I should like to carry the story from perhaps a few months ago and bring it forward in an attempt to give you a picture of the year.

During the last four months, and particularly since the beginning of 1938, particular stress has been laid on keeping the balance of entertainment on an even keel. Most of the commercial programs have learned towards the lighter type—something which was lacking before. It was observed that our efforts, although they may have been perhaps partially successful in some directions, had certainly not succeeded in making Canada laugh. We hope to repair that, and apparently some of these American importations are directed towards that desirable end. Because of this, sustaining programs have been developed along the more cultural side, particularly in those periods between sponsored programs. Many programs have been lengthened to an hour's duration instead of half an hour as in the past. Examples are the "C.B.C. Symphony series" and "From Sea to Sea" on Thursday nights, the "C.B.C. Drama Hour" on Thursday nights, and the "C.B.C. Music Hour" on Sunday night.

Some of the programs which began in the early fall were continued; others were temporarily discontinued or replaced. "Within These Walls," which was an interesting experiment in teaching history dramatically and entertainingly, endeavouring to reconstruct historic occasions on the spot, was dropped because a number of sites of interest were not accessible during the winter months. Plans are under way to revive this series in the spring or early summer.

The response from listeners to the published literal version of broadcasts by discussion clubs, indicates that these have met with considerable favour. Some of our talks have also been printed and have been widely circulated. I would like to say my experience in the last eighteen months in Canada confirms the view that there is a much more acute general intellectual curiosity for the talk types of program than there is on the average in the United Kingdom.

At the request of the Canadian Teachers' Federation a leaflet has been printed setting out in detail those programs broadcast by the C.B.C. which it was considered might have some value to both teachers and pupils. It was not suggested that these should be listened to in classrooms but rather that they should be looked upon as supplementary to curricula. Nearly 20,000 copies of this pamphlet have been distributed.

Programs of interest and benefit to children have been increased in number, and are being increasingly emphasized. It is hoped that this development can be expanded further in the future. The C.B.C. is co-operating with the Junior League societies which have expressed a desire to assist in preparing and presenting—at their expense—programs of a type suitable for children. The Halifax production centre has also undertaken the responsibility of presenting in serial dramatic form some of the best known works of authors whose stories appeal to both children and adults. Their current broadcast, five evenings a week, is an adaptation of Robert Louis Stevenson's "Treasure Island." I may say in that connection I do not include that as one of the programs that have fallen into disfavour because of having an unfortunate influence on the young mind as being too thrilling and exciting. The Junior League of Montreal under the direction and guidance of our Montreal staff, is now producing "Alice in Wonderland."

For the first time since the inauguration of national broadcasting in Canada appropriate equipment will be available for covering special events, particularly in the day time. In future special events and actuality broadcasting will play a far more important part in the Canadian broadcasting scheme than they have in the past. The C.B.C. special events department which came into operation officially last week, has already lined up an ambitious program for the summer months.

Under the heading of "Canadian Scene" plans are being made to broadcast from several national parks, particularly in western Canada. Among these will be Jasper, including the Columbia Ice Fields, Banff, Riding Mountain and Prince Albert. These programs will introduce a new broadcasting technique to north America as they will be constructed largely through the use of actuality recordings made possible by the new C.B.C. mobile unit. This unit includes a short wave transmitter, a thirty-five pound "pack set" which the commentator can carry on his back, and also the very latest type of recording equipment which is said to reproduce with far better quality than anything that has been put on the market to date.

The broadcasts from the National Parks will continue through part of June and the month of July. In August the mobile unit will cross the country to the maritime provinces where it is proposed to do three broadcasts called "Summer over New Brunswick," "Summer over Prince Edward Island" and "Summer over Nova Scotia." These programs will be modelled on a series which the B.B.C. did last year called "Summer over the British Isles," which was highly successful. There is a fair chance of these broadcasts being taken to other parts of the empire.

Also transcriptions will be made and sent to B.B.C., and also to Australia and New Zealand for rebroadcasting there.

Under the heading of special events no doubt one of the most important broadcasts will be the inauguration of the Montreal to Vancouver section of the Trans-Canada Airways. We are trying to get permission to broadcast from early flights along the route.

It is also our intention to cover every important sporting event which takes place this summer, including the amateur and open golf championships, the tennis championship, the Canadian Henley at St. Catharines, and the proposed fishermen's race between the "Blue Nose" and the American challenger. Of course, we shall not be forgetting the important events abroad. We have already rebroadcast the Grand National. Plans are being made to rebroadcast the Derby, the American open and amateur golf championships, the Davis Cup and the American Derby.

[Major W. E. Gladstone Murray.]

Early in September it is hoped to be able to arrange a feature program which will tell the story of the growing, harvesting, milling and marketing of Canadian wheat. In a program such as this, and the other Canadian Scene items mentioned above, the C.B.C.'s mobile unit will be invaluable.

With the change of daylight saving time at the end of April, some variation will be made in the talk schedules, but for the most part the present talk series will continue until June, and a few will even continue without interruption throughout the summer. Many of the afternoon talks, of course, will be discontinued during June, July and August when afternoon listening can be expected to reach a low ebb.

Changes to be made at the beginning of May are as follows: Dan McCowan, naturalist of Banff, Alberta will on Monday nights at 10.30 p.m. eastern standard time, take up his nature talks from where he left off last summer. On Thursdays at 7.45 p.m. eastern standard time, Healy Willan, distinguished musician and composer of Toronto, will present a series of chats about music, and musicians. On Fridays at 7.45 p.m. eastern standard time on the completion of the present historical program "Canadian Portraits," a new series entitled "Unconventional Journeys" will be offered. This will comprise personal stories of travel in foreign lands and in unusual circumstances.

The book reviews by Professor Macdonald will end for the season about the first of May. Some guest book reviewers will be used, and a series of talks on Canadian literature will be arranged in cooperation with the editorial board of the University of Toronto Quarterly which group edits each year the annual review of Canadian literature.

New programs arranged for later in the season will be talks on fishing, by Spent Spinner from Vancouver; talks on gardening by speakers yet to be chosen, and a series of talks entitled "Other Days" by Dean Howes of the College of Agriculture, at Edmonton. This series will be descriptive of farm life in Ontario forty years ago.

Later in the summer one or two of the early evening talks will be reserved for short experimental series in which it is hoped new talent of a varied nature may be developed. One of the experiments will be with talks on astronomy. One or two scientists who can be expected to give popular expositions of the subject will be tried out for broadcasting. And we are going to try an experiment which has caused a great deal of misgiving and some anxiety in other parts of the world. We are going to try women announcers. A series of interviews with people in different jobs and professions will be arranged either for the summer or in September. With these interviews will be given short items of vocational information concerning the trades mentioned.

Because of the uncertainty of the amount of money to be earmarked for programs for the next fiscal year it has been difficult to determine what musical programs can be continued or reinstated. The Ham House String Quartet will continue to broadcast for the C.B.C. until April 24. "Melodic Strings" will be retained. "The Canadian Grenadier Guards Band" concerts are again being considered. It is also likely that some of the fine open air orchestral and band concerts broadcast during the summer by the United States and British networks will be made available to us. A policy of seasonal "lightening" the night time schedule will be followed for the late spring and summer months.

Of special significance is the proposed development of a mid-day program of particular interest to farmers, which will start as soon as possible. The Dominion Department of Agriculture is giving us its fullest co-operation and is engaging the services of an expert on agricultural problems whose time will be devoted entirely to the preparation of this new C.B.C. feature. Because of the variation in time it will be necessary to originate three separate programs five days a week, Monday to Friday inclusive. These will originate

in Vancouver, Winnipeg and Toronto and will be distributed over the B.C. network, the prairie network and the eastern network respectively. Items of interest peculiar to these three regions will be incorporated. The Canadian Press and the Dominion Meteorological Department have agreed to supply suitable news and weather bulletins. I may say there will be a special service of this kind for French Canada.

Mr. BOUCHARD: Hear, hear.

The WITNESS: The difficulties encountered in organizing this series have provided a striking demonstration of the urgency for completing our own coverage network. Both in the maritimes and the west where we are dependent for distribution on privately owned stations results at best will be unsatisfactory.

This spring and summer consultations will continue with provincial departments of education and educational bodies in co-operating with the C.B.C. in broadcasting designed for schools. The plan is to have this activity properly organized next autumn and winter. Our difficulty is again twofold—time variation and inadequate coverage in certain sections of the country. Already there are signs of resistance by privately operated stations to furnishing suitable periods for schools broadcasts. I cannot blame them for that. They must make a living; they must sell their time; and when we come to them with requests for time for school broadcasting they can hardly be blamed if they have already sold it; but that puts the problem of distribution on a peculiarly difficult footing.

On the program side the next twelve months give promise of being a most important period.

I should like to add that the experiment of exchanging producers with the B.B.C. has been more successful than even we had anticipated. Mr. Laurence Gilliam, an experienced producer from the B.B.C. who was in charge of the great empire programs in which the late King George participated from year to year, came to us four or five months ago, and we sent Mr. Taggart, who was our manager in Toronto to replace him on the staff of the B.B.C. for the same period. Mr. Gilliam has made a very important contribution to our work, such as Christmas programs and other features enriching the service. We propose to extend this system of exchanging to the United States and to other dominions.

Looking forward I think that it is safe to say we must place emphasis on perhaps three main considerations, first, quality, lifting broadcasting to a uniformly professional standard of quality; secondly, novelty. Novelty, of course, is essential, and by novelty I mean such expedients as, for example, the arrangement which we have just made with Sir Ernest MacMillan for the production of programs in French from Toronto. Sir Ernest MacMillan will do his own announcing in French, and will in effect be paying tribute from Toronto to French Canada. At the same time we shall arrange for a tribute in English by representative French Canadian artists, which program will come from the Quebec region centres and will give the rest of Canada a definite and authentic feeling of French Canada in the words of the French Canadians, but in English. I give that as an example of the kind of novelty which we shall try to impart. Then, thirdly, there is variety. Variety is essential. This variety we shall gain not only from our own efforts. Variety from our own efforts will depend chiefly upon exploring the very considerable resources in radio personality which exist in Canada. I say this advisedly, and on the basis of personal experience, that in its population Canada is richer in radio personalities than any other considerable area in the world. One of the reasons may be that we still have frontiers. We still look to the great north, and we still have something of the pioneering tradition. There is really an astonishing supply of vivid radio personalities, and perhaps that

[Major W. E. Gladstone Murray.]

will be our chief contribution to the world pool of radio material when we reach the next stage. Another aspect of increased variety is the steady development of exchange. Our relations with the B.B.C. are, of course, most intimate; our relations with the other dominions are also developing, and there is in existence an unofficial program board representing all the broadcasters of the British commonwealth. Then, in North America there is a new feeling. We are very close to the networks of the United States and we are developing relations with Mexico and Cuba. We are also a member of the International Union of Broadcasters which has its headquarters at Geneva, and which there concentrates the joint activities of broadcasting on the European continent.

I think it is no exaggeration to say that with these tentative beginnings—for instance, the half hour of music which we take once a week from Germany, the half hour from Italy which is now being arranged, added to the regular exchange from Great Britain—which is a one-sided exchange, and which must remain so until we construct our short-wave transmitter—we begin to get the benefit of the best programs of other countries. When this is extended their will be a considerable improvement in the taste of our program fare. Then, we are not very far from the existence of a kind of program board; at all events a world clearing house of the best available program material. That is bound to come; and then we shall be in a position to furnish what we can do distinctively on our own; and I still think that it will be radio personalities, which we will add to the common pool; also considerable distinction in literature and in authentic artistic achievement. One important development which will come later this year will be an arrangement with France whereby we shall bring in not only the best French music that is available through their short-wave stations but talks of a stimulating character on national and international affairs. These observations are not meant to be exhaustive but merely to touch on some of the major aspects of our problem. In any review I come back constantly to the report which I made to Mr. Bennett when he asked me to examine the situation in June and July of 1933. This was my concluding observation to the then Prime Minister: "In the development of public service broadcasting on a co-operative constructive basis, with management on business lines and state control, remote yet secure, Canada will be in a position to add immeasurably to the amenities of her civilization and also to produce a decisive new instrument of national unity and stability."

I may say that the materials for pre-eminent programs are available. There is a nucleus of valuable staff. I should like to pay an unqualified tribute to the staff, the nucleus of which was created by the Radio Broadcasting Commission and which has been taken over and developed by the C.B.C. That staff is unexcelled in its devotion and distinguished in its ability. The material is there; the background is there; the desire is there, and it will be our fault if the expectations are not realized. Thank you very much for this opportunity of making a statement on programs.

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. BARBER: I have a question, Mr. Chairman. I should like to ask Major Murray.

By Mr. Barber:

Q. Major Murray, there is an application, as you know, from our local station for an increase in power. Is that dealt with by the Department of Transport, the officers of the department, or is it dealt with by the officials of the C.B.C.? In the case of CHWK, they are limited with regard to their power. They cannot cover the whole district during certain hours of the day. I believe they have made an application for an increase in power, and I was wondering who would deal with that?—A. I shall be glad to explain the procedure in regard to applications of that kind. Applications of that kind are considered

first of all by a joint technical committee representing the Department of Transport, radio branch, and the C.B.C. They have to take into account the international situation, because even a minor change in power now affects the whole distribution of wave-lengths, because wave-lengths are allotted not in bulk, but for a specific purpose; that is, to perform a specific function in a central area with certain power. Our whole distribution of wave-lengths is arranged accordingly. For instance, you may have a wave-length in Chilliwack which was allotted for 100 watts or 200 watts. If that were increased to 500 it would disturb a whole set of stations in other parts of north America; so that the whole thing has to be taken into account. The joint technical committee of the C.B.C. and the radio department examines them first of all from the technical point of view. They then report to the Board of Governors of the Broadcasting Corporation, who deal with it from the point of view of policy in general. They take into account the needs of the community, and they have to exercise some discretion; but it is purely from the point of view of the needs of the community that that discretion is exercised. There is nothing political in it. When that is done the recommendation goes to the minister in whom is vested the formal authority, and he accepts the recommendation and gives it effect. If this application has been made—I do not know how far it has got; has it been in for some time?

Q. I understand so.—A. I shall be glad to look into it.

MR. HAMILTON: The same remark applies to the local station at the Sault. I want to associate myself with Mr. Barber's remarks.

THE WITNESS: Yes.

THE CHAIRMAN: If there are no further questions from the members I should like to ask a question.

By the Chairman:

Q. Mr. Black represents a district in which Amos is situated. He asked about an application for a station at Amos, Quebec. He asked me to bring that question before you. Have you any information in regard to that?—A. It is amongst the applications that are now pending. I believe it is going through the machinery that I have described.

Q. Nothing definite has been arrived at?—A. There would be nothing definite until the minister has given his approval, because in him is vested the formal approval.

Q. As far as the Radio Broadcasting Corporation is concerned the matter is in the minister's hands?—A. I could not be quite specific about that. That is one of the subjects that was considered at the last meeting. I do not recall the specific decision; but at all events it requires the authorization of the minister.

Q. Then, he can get full information from the department?—A. Yes.

THE CHAIRMAN: Gentlemen, I think that concludes the questioning. I see everybody smiling which indicates that you all want to go to lunch.

MR. BOUCHARD: I have a suggestion to add.

THE CHAIRMAN: All right.

MR. BOUCHARD: I thank Major Murray for everything he has done to develop our national life, especially his idea of variety and diversity; but may I suggest that he should increase the rural parts of the program. I think something very valuable has been done so far. I have no criticism to offer; but I think if we want to avoid this exodus from the country that we had previous to the crisis, anything we might do to emphasize the viewpoint of the rural people would be beneficial. Following up that suggestion, perhaps I might ask to have a competent man on the staff—if it has not already been done—a man who will

[Major W. E. Gladstone Murray.]

be able to visualize the whole viewpoint of the rural people—and not referring to the farm only, but the rural country men and country women. I think that would be worthwhile. Speaking as one of those who was very much afraid when the radio came into existence that it would be another additional force to make the rural people urban-minded—I have nothing against the city—I think we should try to keep the rural viewpoint. Perhaps I am regarded as one of the old timers, but anyhow I am sure that Major Murray will give to this question the best of his attention, and is in accord with that.

The CHAIRMAN: As far as that is concerned, Mr. Murray, I think you should make a farm broadcast—a farm hour; is that what you call it?

The WITNESS: Yes.

The CHAIRMAN: A broadcast along the lines suggested by Mr. Bouchard.

Mr. BOUCHARD: Not only on technical matters.

The CHAIRMAN: Oh, no.

Mr. BOUCHARD: I must congratulate Major Murray, because we are starting on Sunday next a daily fifteen minutes, dealing not only with the technical but also with the cultural aspects, judging by the experience acquired in the past; and in the future perhaps it might be developed more and more.

The CHAIRMAN: It is very important, if we are going to keep our people in the rural parts of Canada, to show them the advantage of it.

Mr. BOUCHARD: Develop pride among them.

The CHAIRMAN: Yes, pride among the people to be on the land; because after all, I have been on the land myself, and I do not think there is a happier place on earth.

Mr. BOUCHARD: There is another thing that has not been sufficiently dealt with, if I might perhaps suggest it. You have in the western prairies, for instance, a group coming from central Europe who have a great artistic development; and I think it would be most interesting to us to hear their folklore and songs more and more often. It would be a real contribution to the life of Canada. As you said, we are very fortunate to have so great a diversity of talent.

The WITNESS: I am glad that suggestion has been made, Mr. Chairman. On the first point, I may say that I was so well-grounded in Mr. Barber's constituency that I shall continue to offer most resolute resistance to any urbanization of Canada.

Mr. ISNOR: Do not forget the fishermen as well.

The WITNESS: I think that a common alliance can be formed as against the urban—the encroachment of the urban civilization.

Mr. BOUCHARD: They come to the land once in a while.

The WITNESS: On the second point, about groups particularly in the western provinces but also elsewhere—we are very much alive to their value artistically and also from the intellectually; and there is a special series of programs—reference to which I did not make in my general statement, but which will begin soon in Winnipeg—in which the younger element of these constituent groups will be given the opportunity to express their uncensored views on problems of current interest in Canada. So to the entertainment side we shall add, I hope, something of the intellectual stimulus that should be derived from these very vivid and very verile communities that we are fortunate to possess.

An Hon. MEMBER: Hear, hear.

The CHAIRMAN: Now, gentlemen, is there anything else?

Hon. Mr. LAWSON: Do I understand, Mr. Chairman, that this will be the last sitting for the hearing of evidence?

The CHAIRMAN: It looks that way.

Hon. Mr. LAWSON: That all future sittings will be for the purpose of making up the committee's report?

The CHAIRMAN: I think that is the opinion of the committee.

Hon. Mr. LAWSON: If that is so, Mr. Chairman, I propose to take a certain position in connection with this matter; and because of that I should like to make a very brief and short statement as to why I am going to take that position. I also think I should make this statement for the benefit of some members of the committee whom I observe here to-day but who were not here yesterday. When this matter was referred to this committee by order of the House of Commons of February 7, 1938, we were instructed to report from time to time our observations and opinions, with power to send for persons, papers and records. By a subsequent motion of the House dated February 24, 1938,—I omit the words that are not germane to the point I have in mind at the moment,—it was resolved that a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the corporation with special reference to, *inter alia*, development. Up to yesterday we had heard, with respect to the development of radio broadcasting in this country, only from members of the board of governors or the general manager of the Canadian Broadcasting Corporation. I did feel then, as I feel now, that if we are to consider the matter of development of radio, we should not be confined to the opinions and views with respect to that development held by one organization, namely, the Canadian Broadcasting Corporation. With that in mind I therefore moved yesterday before this committee that the chairman or president of the Broadcasting Association of Canada be requested to appear at his own expense before this committee as a witness, with respect to the subject matter of the order of reference to this committee. Mr. Chairman, you ruled that that motion was out of order, as it was outside the reference to this committee. I appealed that ruling and your ruling was sustained by a very substantial majority of the committee. In view of that situation, this committee is going to be asked to return a report to the House of Commons without having had the opportunity of hearing from any persons skilled in broadcasting as to the development of radio in this country, except the officials of the C.B.C. Although it is quite true that the increase in the licence fee is one imposed by the government, nevertheless, the government has acted on the recommendation of the C.B.C.; and the C.B.C. justifies its recommendation to this committee by pointing out to the committee its proposals for the development of radio in this country.

The CHAIRMAN: May I interrupt just here?

Hon. Mr. LAWSON: Yes, but I am just practically finished.

The CHAIRMAN: All right, go ahead.

Hon. Mr. LAWSON: Consequently, I again say that this committee is not in a position to judge whether the expenditure proposed by the C.B.C. for the development of radio, and by reason of that expenditure therefor the necessary increase in licence fee, is justified or otherwise, when we have only had the opportunity of hearing one side of the case. I am informed—although I cannot certify as to the accuracy of my information—for example, that the Canadian Manufacturers' Association wish to make a presentation to this committee. Anticipating that the committee would hear evidence from others after they finished with the officials, the Canadian Manufacturers' Association had fixed the meeting or meetings which they desired to hold for the preparation of their brief, to be during the Easter vacation. For the reasons I have set out, and because I hold so strongly to the view that it is not possible for this committee to come to an equitable and justifiable conclusion as to the proper method to

[Major W. E. Gladstone Murray.]

follow for the development of radio by hearing merely from the officials of the C.B.C., I am compelled to take the position that so far as I am concerned I will not attend any meetings of the committee with a view to drafting a report nor will I in any way have anything to do with the drafting of such report or be a party to it. That is all I have to say as to my position in connection with the matter.

The CHAIRMAN: Does anybody else wish to make any comments?

Mr. EDWARDS: Well, Mr. Chairman, as seconder of the resolution yesterday—

Mr. FACTOR: We will hear the opposition first.

The CHAIRMAN: The opposition to Mr. Lawson?

Mr. FACTOR: The opposition to the Canadian Broadcasting Corporation.

Mr. EDWARDS: There is not any.

Mr. BOUCHARD: It is agreed.

Hon. Mr. LAWSON: You said the opposition; if you said the Liberal members of this committee, you might be accurate.

The CHAIRMAN: I hope you do not think there are any Liberal members or Conservative members of this committee. We are gathered together here to do the best we can in order to investigate or inquire into the operations of the Canadian Broadcasting Corporation. I do not think there has been any political bias.

Hon. Mr. LAWSON: A perusal of the records of the votes of this committee will speak more eloquently than I can with respect to the subject matter.

The CHAIRMAN: Surely you will give every member of the committee the right to vote as he feels.

Hon. Mr. LAWSON: Absolutely.

The CHAIRMAN: On the points that are raised.

Hon. Mr. LAWSON: I have not suggested that they should not vote as they feel.

The CHAIRMAN: I do not think you mean to be unfair, Mr. Lawson. It is certainly not like you to be unfair.

Hon. Mr. LAWSON: I do not wish to be.

The CHAIRMAN: You have certainly made a contribution to this committee, and we appreciate you.

Mr. BOUCHARD: It is not our fault if your followers have not voted with you.

Hon. Mr. LAWSON: If you mean by my followers those who belong to the same party, they have voted with me on every occasion.

Mr. BOUCHARD: Both of them.

Mr. EDWARDS: Rather than get into this political discussion, I have not—

The CHAIRMAN: I am trying to avoid it, and I do not think there is any cause for it. I know that Mr. Lawson does not feel that way.

Hon. Mr. LAWSON: I quite agree with you, but I ask you to bear in mind that Mr. Factor's comment was the provocation.

Mr. FACTOR: I will amplify my statement. I think I can justify any provocation that emanated from me.

Mr. EDWARDS: Mr. Chairman, I just want to say a word as seconder of Mr. Lawson's motion yesterday. I just want to say, first, that I think this committee are unanimously of the opinion that Mr. Brockington's survey of the policy of the Board of Governors of the C.B.C. was an excellent one; and I also want to say with respect to Major Murray that I appreciate very much the frankness and the clearness with which he has given replies to all the

questions that have been asked him about the C.B.C. My position is simply this: I feel it is unfortunate that this committee have so narrowly interpreted the reference that was given to us. For instance, I think we should have asked the chairman or whoever he is of the Canadian Broadcasters Association to be here. I also think that the manufacturers of radio, if they wished to come before the committee—although I would not suggest calling on them—have had the privilege of coming before the committee. They are very strongly of the opinion, I am informed, that this increase in radio fees—not so much the increase on a single radio as the charge on two or three radios in the one house—will have a very depressing effect upon the manufacturing of radios. I also feel, as indicated in a reply to one of my questions, that the C.B.C. does not give any service to a holder of two or three radios in a home beyond the service they give to the holder of one radio in a home. In other words, they are at no additional expense on account of two or three radios being in that home. Now I feel that the inference will go abroad that this is more or less one-sided, that the evidence has been given more or less on one side. As I have stated on several occasions, I am all for the C.B.C., and I think they have done splendid work and have given splendid evidence here; but I do think that the other side of the picture should have been presented to this committee. It would have given us an opportunity to judge, or to perhaps get some ideas, or perhaps enabled the C.B.C. to get some more ideas—not with the idea of being critical of the C.B.C., but with the idea of bringing out all the evidence that it is possible to bring out before this committee. My feeling is that that has not been done, and I do not feel that I can sign a unanimous report.

Mr. WOODSWORTH: Mr. Chairman, are we being asked to reopen the question which was settled? I do not understand.

Some Hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: It seems to me that we can go on indefinitely like this, making remarks about the various decisions of this committee.

Mr. EDWARDS: Make your own speech but never mind criticising.

Mr. WOODSWORTH: I am not criticising what has gone before. I have not taken any undue time of this committee. No one can accuse me of that. It is only two or three times I have ventured to say it, but the fact is that there has not been a one-sided presentation in this committee by any means. We have had quite a full presentation of the standpoint of the Canadian Broadcasting Corporation, and of some of us who think as they do. There has been more said by some of those who are very critical of the conduct of the C.B.C. than by those who are apparently sympathetic with the conduct of the C.B.C. It has not been narrow. We are not asked as a committee to investigate the whole of the broadcasting in this country. We are dealing with one particular corporation, a national organization. We settled this matter—at least we thought we had settled this matter—as to the nationalization of radio some time ago.

The CHAIRMAN: Functioning under an Act of parliament.

Mr. WOODSWORTH: It is functioning under an Act of parliament, and we are dealing with this. If Mr. Lawson would rather have us believe that it is only one company among many companies, and we should investigate it on an equal basis, I think that is an absolutely impossible position to take.

Hon. Mr. LAWSON: I have not suggested you should investigate any companies.

Mr. WOODSWORTH: No, not other companies; but you did suggest that this was simply a company among other companies.

Mr. FACTOR: He suggested that a private company investigate the C.B.C. [Major W. E. Gladstone Murray.]

Hon. Mr. LAWSON: I did not.

Mr. WOODSWORTH: Very close to it. If we are to have private companies in it, I suggest we will have to investigate these private companies in every detail of their business. If that is the desire, I suggest that we might ask for an extension of the terms of the reference and we could have all the books here and examine all their books and all their records and all their correspondence that has come into these companies. If that is wanted, let us move for an extension of the reference. In the meantime, we are dealing with this one company, which is not on a parallel with the others, but which is a national concern. I cannot see why we have to have this rehashed on every occasion. If we want to open it again, let us have a motion to open it again and have it brought forward in the regular way. But I cannot see, as far as I have attended the meetings of the committee, that there has been anything unfair or that any relevant evidence has been excluded.

The CHAIRMAN: I think Mr. Lawson is of the same opinion, that there has been nothing unfair.

Hon. Mr. LAWSON: Oh, I am not making any allegation of that kind.

Mr. EDWARDS: No.

Hon. Mr. LAWSON: We have had extreme courtesy from the chair; and while I am at it I would like to express this, so that there may be no doubt about it: So far as the officials of the C.B.C. are concerned, they have been most helpful, and most courteous, in endeavouring to provide any information which was asked. I feel that the attitude the committee has taken is doing a dis-service to the very corporation—the C.B.C. that some allege I am anxious to injure.

Mr. FACTOR: Mr. Chairman, I suggest this discussion is entirely out of order.

The CHAIRMAN: It is out of order.

Mr. FACTOR: We discussed that yesterday; and I presume I can be as much out of order as the other speakers.

The CHAIRMAN: I think so. I did not feel like calling any of the members to order, Mr. Factor; because I do not think it is a nice thing to do.

Mr. FACTOR: No, you have been very polite, Mr. Chairman.

The CHAIRMAN: I certainly like to give a lot of latitude to the members of the committee.

Mr. FACTOR: I just want to re-echo the sentiments expressed by Mr. Woodsworth. If Mr. Lawson and Mr. Edwards feel that the whole principle of nationalization of radio is wrong—

Hon. Mr. LAWSON: No, sir.

Mr. EDWARDS: No, sir. We are one hundred per cent for it.

Hon. Mr. LAWSON: That is not what we are dealing with.

Mr. FACTOR: If they do, I think they are privileged to get up in the House of Commons and move a resolution that we extend the reference of this committee to include the whole problem of broadcasting; or in other words, to review again all that has been done by former committees of the House. I again want to point out that the principle of radio broadcasting, so far as the Canadian Broadcasting Corporation is concerned, is contained in this Act, 1 Edward VIII, Chapter 24, an Act respecting broadcasting. The term of the reference was in effect to review the policies of the corporation, with special reference to revenues, expenditures and development—to review what has already been accomplished, what has been done by the corporation, to get the effect of the policies of the corporation. Surely we are not going back to review the whole principle of whether there ought to be a Canadian Broadcasting Corporation or not.

Mr. EDWARDS: There is no suggestion of that.

Mr. FACTOR: May I further add, Mr. Chairman, that I humbly submit to my two friends on my left that they are not on solid ground. As I mentioned yesterday in the committee, if we were a committee investigating the expenditures, reviewing the policies of the C.N.R. with special reference to revenues, expenditures and development, would we for a moment request, say, the president of the C.P.R. to come and tell us what he thinks about the running of the affairs of the C.N.R. by the C.N.R. management? Why, it would be ludicrous—entirely out of the way. That is what, in effect, these gentlemen want us to do. They want us to ask private broadcasters to come in here and tell us what they think is right or wrong so far as the development and policies of the Radio Broadcasting Corporation is concerned. Surely there is no attempt on our part to shut off or, as Mr. Lawson more inappropriately expressed himself, to make it appear that anybody is trying to whitewash anything. Let me point out that there are no charges pending against the Canadian Broadcasting Corporation. No one has made a charge, not even Mr. Lawson.

The CHAIRMAN: Just outside.

Mr. FACTOR: Just outside. Mr. Lawson was given every latitude. I venture to suggest he has done ninety per cent of the questioning of this committee. He has been given a privilege which perhaps none of the rest of us had, that of going privately to the manager of the corporation in his office, and was given, as I understand it, access to all the advertising contracts for his perusal. Mr. Murray has been very frank in his discussion of the problems; and so far as I am concerned, I certainly appreciated listening to all of the things that he stated. Now, Mr. Lawson is the gentleman who is trying to make a political issue out of it. He is the man who has always, right from the beginning, maintained that there was no British justice in our beginning of the investigation, first, when he attempted to have filed with this committee the private records of the minutes of the boards of governors; then when he attempted to have before the committee the confidential letters and memoranda that the broadcasting corporation had in its possession. We tried to co-operate in every way with every member of this committee. There are no Liberal or Conservative members in this committee. But when Mr. Lawson, ably assisted by my friend Mr. Edwards, try to make this a political issue, I think it is time that someone said something about it. We are not going to go back on the principles of nationalization of radio. I think we are all in agreement on that. What is the useful purpose—

Mr. EDWARDS: Who said anything about going back on the nationalization of radio?

Mr. FACTOR: What useful purpose can be served by bringing in to this committee the private broadcasters? May I point out this: There has been some suggestion that the Canadian Manufacturers Association want to come here. Well, the press has given this radio committee very fine publicity. They all know we have been sitting this last few weeks. Has there been any attempt on the part of anybody to present a brief?

The CHAIRMAN: I have not received any.

Mr. FACTOR: I do not think any member of the committee has received a brief. I do appeal to these gentlemen, and suggest that this is a childish way, if I may say so, of voting—or saying, “I will not participate in any further deliberations on this committee.” May I point out that it is not doing themselves or the radio any good. If they want to write a dissenting report, it is their privilege to do so. But to say, “No, Mr. Chairman, now that you have not adopted my attitude in this thing, I won’t play with you anymore,” is childish.

[Major W. E. Gladstone Murray.]

Mr. EDWARDS: Thanks very much for your kind lecture. I just want to make my position clear in a few words: never by inference or statement have I said one single word against the Canadian Broadcasting Corporation. I also want to be understood as having voted in the house and being in favour of the nationalization of radio; and I am still 100 per cent for it.

The CHAIRMAN: If the discussion is over, I might say—

Mr. HAMILTON: I would like to say a word or two, if there is going to be a vote.

Mr. BOUCHARD: No, there is no motion.

Mr. HAMILTON: I would like to say this anyway. Mr. Lawson has said that he thinks the attitude we are taking is doing a dis-service to the C.B.C. I want to do it every service I can; and it is because I think I am doing it a service as a national organization, a publicly-owned organization, that I am most anxious that we do not go beyond the limits of our reference. If it is to be opened up wide, then different matters present themselves. We can go on indefinitely. We could not possibly find a dividing line at all. For instance, as I suggested the other day, if private broadcasting stations are brought into the picture, why should not the press be brought in to make representations? If the Canadian Manufacturers Association is brought in, why should the Musicians Organization and different types of organizations of that kind not be brought in? Why should not the Tourist Bureau be brought in to tell how the C.B.C. can better serve the tourist business in Canada? The thing could be almost indefinite. I myself asked if we could discuss here the method of licensing, but it was thought not to be within the scope of this committee. I gladly accepted that ruling. I also questioned not only the method of collection but also the method of inspection and elimination of interference, and that was considered not within the scope of this committee; therefore unless we get further powers from the house to go much more fully into this whole subject and open it up wide, I feel that, unless these gentlemen are being brought here for a specific purpose, as a result of something which has arisen during the committee sittings, there is no purpose in bringing them here.

Mr. JOHNSTON: In view of the fact that I was not here at the meeting of yesterday—the only one I have missed, being unavoidably absent; I could not be here—I would like to say that I am 100 per cent for national control of radio; but I am against the exclusion of any concern which is interested in radio from being permitted to give evidence here.

The CHAIRMAN: Well, if the discussion is over, I might offer one or two comments. As far as this committee is concerned, we are entirely governed by the order of reference; and we have no power, according to the rules, to go beyond the order of reference unless we apply to the House of Commons for further powers which we do not possess under the order of reference here.

I might say that this committee was organized very early in March and the committee was kind enough to allow me to go and carry on certain functions in the west, delaying its sittings until such time as I could be present. But up to the present time no representation has been made to the chairman—and usually these representations are made to the chairman—that certain people wanted to appear before the committee in order to give evidence. Mr. Lawson has not indicated—

Mr. BOUCHARD: Or none to any member.

The CHAIRMAN: Or none to any member, or as far as I know. Mr. Lawson has not indicated what his object is in bringing Mr. Sedgwick here.

Hon. Mr. LAWSON: I want to have the advantage of any views he may have with respect to the development of the nationalization of radio, if he has any to offer.

The CHAIRMAN: To prove what?

Hon. Mr. LAWSON: How can I say? I do not know what the man's ideas are. How can I say they will prove or disprove anything?

The CHAIRMAN: Well, that question was decided yesterday.

Hon. Mr. LAWSON: That is right.

The CHAIRMAN: May I make this further reference? Next week we shall be entering into a very very important week of the year; it is a week which is very important in the life of every man, because it is the week that develops peace on earth and goodwill towards men. After Mr. Lawson performs his Easter duties, as I shall next week, I am sure he will change his mind, and when this committee meets he will be here to help us to present a report to the House which will be helpful to the Canadian Broadcasting Corporation and to the broadcasting system of the people of Canada. Gentlemen, I think our proceedings are just about through—

Hon. Mr. LAWSON: May I be permitted to make one comment on your statement?

The CHAIRMAN: Yes.

Hon. Mr. LAWSON: It is because of peace on earth that so many denominations will make their Easter reparations in different manners.

The CHAIRMAN: Many of us will be going away tomorrow. There is nothing further to do until after Easter, and if you will allow me to call a meeting then we can prepare our report. Before we close I want to express—and I am sure I am expressing the feelings of every member of this committee—my thanks to the Broadcasting Corporation and to its manager, Mr. Gladstone Murray and the officials for the way in which they have presented their evidence. They certainly have shown every desire to give us all the information that was asked for and I have been educated, as most of the members of the committee have, on radio broadcasting and the possibilities of its future in Canada.

Hon. Mr. LAWSON: That is unanimous.

The CHAIRMAN: I desire to thank Mr. Murray and his very efficient staff for the way in which they have co-operated with us, and I hope Mr. Lawson will be with us at the next meeting.

The Committee adjourned to the call of the Chair.

Mr. Doe
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SESSION 1938

HOUSE OF COMMONS

STANDING COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND FINAL REPORT

No. 8

TUESDAY, MAY 10, 1938

THURSDAY, MAY 19, 1938



OTTAWA

J. O. PATENAUDE, I.S.O.

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1938

MEMBERS OF THE COMMITTEE

Mr. A. L. BEAUBIEN, *Chairman*

Ahearn,
Barber,
Beaubien,
Bertrand (*Laurier*),
Bouchard,
Coté,
Dupuis,
Edwards,
Factor,
Hamilton,
Héon,
Howe,

Isnor,
Johnston (*Bow River*),
Lawson,
MacKenzie (*Neepawa*),
MacLean (*Prince*),
MacMillan,
Martin,
Patterson,
Ross (*Moose Jaw*),
Turgeon,
Woodsworth.

WALTER HILL,
Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

THURSDAY, February 24, 1938.

Resolved,—That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the Corporation with special reference to revenues, expenditures and development, with all the powers vested in the standing committees under standing orders and the resolution passed by this House on the 7th February, 1938.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MONDAY, February 7, 1938.

Ordered,—That the Select Committee appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation, etc., be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

FRIDAY, March 4, 1938.

Ordered,—That the Select Standing Committee appointed on the 24th February last, with the powers of a Standing Committee, to consider the Annual Report of the Canadian Broadcasting Corporation and to review the policies of the Corporation shall consist of the following members: Messrs. Ahearn, Barber, Beaubien, Bertrand (Laurier), Bouchard, Côté, Dupuis, Edwards, Factor, Hamilton, Howe, Isnor, Johnston (Bow River), Lawson, MacKenzie (Neepawa), MacLean (Prince), MacMillan, Martin, Patterson, Ross (Moose Jaw), Turgeon, Wermenlinger and Woodsworth.

Ordered,—That the presence of at least nine members shall constitute a quorum of the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

STANDING COMMITTEE

MONDAY, March 21, 1938.

Ordered,—That the said Committee be granted leave to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

FRIDAY, March 25, 1938.

Ordered,—That the name of Mr. Héon be substituted for that of Mr. Wermenlinger on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, May 10, 1938.

The Special Committee on Radio Broadcasting met this day at 11 a.m.

The Chairman Mr. A. Beaubien, presided.

Members Present: Messrs. Ahearn, Beaubien, Bertrand, Bouchard, Factor, Isnor, Johnston (*Bow River*), MacKenzie (*Neepawa*), MacLean (*Prince*), Martin, Patterson, Ross (*Moose Jaw*), Woodsworth—(13).

The Chairman informed the Members of the Committee present that the meeting had been called for the purpose of appointing a sub-committee to draft a report for the consideration of the committee, to form a basis for the committees report to the House.

On motion of Mr. Ross (*Moose Jaw*),

Resolved, That, the Chairman name four members as a sub-committee.

The Chairman named the following members as the sub-committee, Messrs. Bouchard, Edwards, Factor, Woodsworth—(4).

On motion of Mr. MacKenzie (*Neepawa*),

Resolved, That, the four members named by the Chairman, together with the Chairman of the committee, Mr. A. Beaubien, should be the sub-committee.

The Committee then adjourned to meet again at the call of the chair.

WALTER HILL,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, May 19, 1938.

The Select Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. Beaubien, presided.

Members Present: Messrs. Barber, Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Edwards, Factor, Hamilton, Isnor, Johnston (*Bow River*), MacKenzie (*Neepawa*), MacLean (*Prince*), MacMillan, Martin, Ross (*Moose Jaw*), Turgeon.

On behalf of the sub-committee appointed at the previous meeting, the Chairman submitted a draft report for consideration.

The said draft report was considered and amended.

On motion of Mr. MacLean,

Resolved, That the Chairman be authorized to present to the House the said report as amended.

On motion of Mr. Turgeon.

Ordered, That the program schedules filed with the Clerk of the Committee by the Chairman of the Board of Governors on March 24, be returned to the Canadian Broadcasting Corporation.

The Committee adjourned *sine die*.

WALTER HILL,
Clerk of the Committee.

FRIDAY, May 20, 1938.

The Select Committee appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the Corporation with special reference to revenues, expenditures and development, begs leave to present the following as its

SECOND AND FINAL REPORT

Your Committee held seven meetings and had as principal witnesses the Chairman and Vice-Chairman of the Board of Governors and the General Manager. During seven sittings, an exhaustive examination was conducted. All information required by the Committee to carry out its terms of reference was supplied, confidential information not susceptible of publication in the public interest being made available privately. The Committee was impressed by the ability and frankness of the principal witnesses.

The bulk of the evidence concerned the program, technical and financial policies of the Corporation. Your Committee is of the opinion that these policies are well designed to carry out the purpose for which the Corporation was created. Your Committee is also of the opinion that the policies of the Corporation are being executed in a business-like fashion.

With respect to programs, the Corporation's policy is to utilize Canadian talent in the development of Canadian programs of distinction and quality, and to make available to Canadians the best programs from the United States, Great Britain and elsewhere. With the resources at its disposal, your Committee believes the Corporation can give Canada satisfactory broadcasting service, while at the same time enabling Canada to create programs worthy of exchange.

With respect to the Corporation's plan of national coverage, involving the ownership of high power stations and the extension of CBC coverage to reach all parts of Canada, your Committee wishes to indicate its approval. It is considered that the development of this plan is of great importance in the national interest. Your Committee is of the opinion that while private stations will continue to serve a useful local purpose, the Corporation urgently requires its own comprehensive facilities for distribution. At the present time, large areas of Canada, particularly in the Maritimes, the Prairies and British Columbia, receive somewhat scant and spasmodic service of CBC programs.

Your Committee is satisfied that the financial policies of the Corporation are sound and that the administration is being conducted in a prudent and efficient manner.

Your Committee considered carefully the present and future revenue requirements of the Corporation. It is of the opinion that present sources of revenue should be sufficient to maintain and develop the projected plan of national coverage.

With respect to revenue for capital purposes, your Committee is of the opinion that consideration should be given to the provision by loan or grant, of sufficient capital funds to enable the Corporation to complete its plan of national coverage at the earliest possible moment.

Your Committee is of the opinion that the present scale of licence fees of \$50 for privately owned broadcasting stations of hundred watts or under is adequate, but believes licence fees should be increased on higher powered stations servicing densely populated areas.

Your Committee recommends that the incidence of the application of the licence fee be carefully reviewed by the Department of Transport in the light of this year's experience, with a view of effecting a reduction of the licence fees.

Your Committee was impressed with the importance of the establishment, at an early date, of a high power short-wave broadcasting station. Such a station, your Committee believes, would be a great utility in interpreting and advertising Canada abroad and in facilitating an exchange of programs between Canada and other broadcasting systems. Canada, your Committee was informed, is the only major trading nation without such facilities. It is submitted this should be financed as a national project, operated and controlled by the Corporation.

Your Committee believes that the constitution of the Corporation, ensuring a proper division between policy and management and a degree of flexibility and independence essential to the medium of broadcasting, together with ultimate parliamentary control, is well suited to the purpose for which it was created. Public service broadcasting in Canada must necessarily continue to be free from partisan control, and your Committee is gratified to report that the activities of the CBC have been free from any nature of partisanship whatsoever. Your Committee also wishes to pay its tribute to the Governors of the Corporation for their vision, public spirit and efficient conduct of the trust imposed upon them by Parliament.

In conclusion, your Committee wishes to express its belief that the broadcasting system emerging in Canada is, and can increasingly be, an important factor in creating a sense of national unity and approves the general policy of concentrating on a national system of high power stations.

A copy of the minutes of proceedings and evidence is annexed hereto.

All of which is respectfully submitted,

Chairman.



